C2150-10
3/17/87

Chilton's

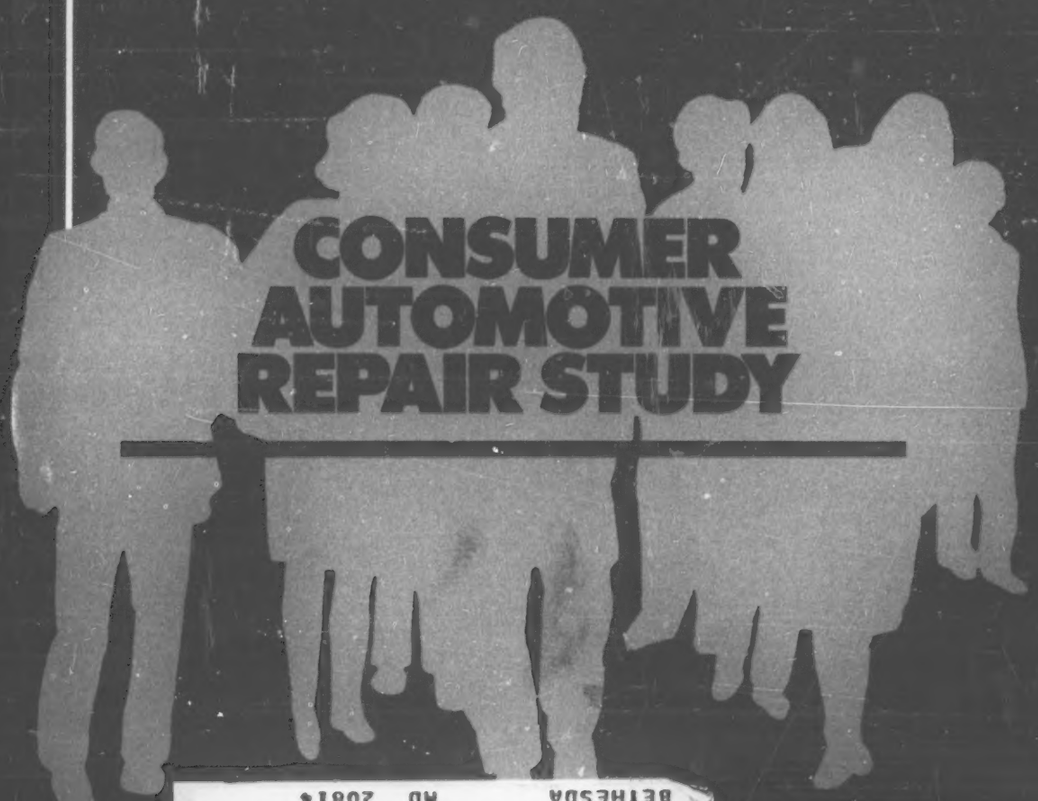
AUTOMOTIVE MARKETING

The Marketing/Business Magazine for the Retail Aftermarket

MARCH 1987

1984 TO 1987

C A R S



CONSUMER AUTOMOTIVE REPAIR STUDY

Good news, bad news for the retail aftermarket. Automotive Marketing looks at today's DIYers compared to 1984's DIYers.

CN014MCNALLYB---00
FEB88
BRENDAN MCNALLY
STATISTICAL REFERENCE IDX DIR
CONGRESSIONAL INFO SER.
4520 E. WEST HIGHWAY
BETHESDA MD 20814

Chilton's
AUTOMOTIVE MARKETING

a Chilton publication

March Issue/Volume 16, Number 3

EDITORIAL STAFF

Rosemarie Wilchin
Editor
(215) 964-4394

Gail Krueger-Nicholson
Senior Editor

Philip Katcher
Research Editor

John Wirebach
Senior News & Feature Editor

Bonnie Lynne Shannon
Editorial Assistant

Jim Naughton
Director of Graphics

Janet Lee Taylor
Art Director

Sarah Frankson
Publisher
(312) 782-1400

Chilton

ONE OF THE ABC PUBLISHING COMPANIES

ABC Publishing President, Robert G. Burton
1330 Avenue of the Americas
New York, New York 10019

Chilton Officers:
President and Chief Executive Officer, Lawrence A. Fomalont; Vice Presidents Publication, Richard D. Bay, Richard E. Dost; Vice President/Director Chilton Research Co., Ronald A. Hoxter; Vice President Finance, Charles L. Grant; Vice President Operations, Donald W. Chestnut; Vice President Publishing, John P. Kushnerick.
Copyright 1987 Chilton Company

AUTOMOTIVE MARKETING - ISSN 0193-3264. Published 13 times a year by Chilton Company, Chilton Way, Radnor PA 19089. Chilton Co. is a division of American Broadcasting Companies Inc., New York, NY. Subscription prices (payable in advance) in the United States and U.S. possessions: $36 a year; Canada, $70 a year; Foreign, $70 a year. Single copies $3.50 each, ($90 for the 13th issue) when available. U.S. only. SECOND CLASS postage paid at Wayne PA 19087 and additional mailing offices. Postmaster, send Form 3579 to AUTOMOTIVE MARKETING, P.O. Box 2075, Radnor, PA 19089.

FEATURES

The 1987 Consumer Automotive Repair Study (CARS) 34
There are more DIYers today than there were three years ago. But they are buying fewer products.

- Motor Oil 39
- Oil Filters 41
- Antifreeze/Coolant 43
- Wax/Polish 45
- Spark Plugs 47
- Spark Plug Wires 49
- Batteries 53
- Additives 55
- Headlights 57
- Auxiliary Lights 59
- Shocks 61
- Struts 63
- Mufflers 64
- Exhaust Pipes 66
- Paint 69
- Seat Covers 71
- Floor Mats 73
- Custom Wheels 74

Service Report 76
In alignment, it's not technology but labor that makes money for your service bays.

DEPARTMENTS

Detailing The Market 5
Editorial 13
The *Automotive Marketing* Index 14
Market Line 16
Merchandising Page 32
Products 80
Rep Guide 85
Ad Index 88
Reader Service Card 89

Permission to photocopy for internal use or the internal use of specific clients is granted by Chilton Company for libraries and other users registered with the Copyright Clearance Center (CCC) provided that the base fee of $1.00 per copy of the article, plus 25¢ per page is paid directly to the CCC, 21 Congress Street, Salem MA 01970. Special requests should be addressed to The Editor. (0193-3264/87 $1.00 + 25¢)

PUBLISHER'S NOTES

DIALING FOR NUMBERS

Some people live on the phone, and enjoy it.

Can you imagine completing 1,711 phone calls? We did, and we did it for you!

In this *Automotive Marketing* issue, you'll find results of those phone calls made to collect the data for our 1987 *Consumer Automotive Repair Study (CARS)*.

There's good news for the marketplace. DIY participation moved up within the past three years from 71% of vehicle owners to 79%. There's bad news. The people who are buying products from us may number more, but they're not buying as much or as frequently as they did three years ago.

There are no surprises in the growth in percentage of women who work on their own vehicles. And no surprises about the graying of America and its ramifications on our marketplace at the retail level.

There's more good data on product movement in *Automotive Marketing's* Index.

For some surprises, you might check out our Detailing The Market section, Market Line, and colorful product news.

We like to provide you with information you need, and want. Tell us if we're doing a good job!

Sarah Frankson, Publisher

THE AUTOMOTIVE MARKETING INDEX

THE 1986-87 *AUTOMOTIVE MARKETING* MARKETBASKET

To determine the price movement, *Automotive Marketing* created a "marketbasket" of the best prices available for nine popular aftermarket products. We determine the best available price of each item in each marketing area each month to come up with an average marketbasket index. The products include a non-resistor spark plug; an oil filter; a can of 10W30 motor oil; a can of paste wax; an AM/FM/Cassette radio; a gas-charged shock absorber; a gallon of antifreeze; a pair of windshield wiper refills; and a 40-month-warranty battery. These products are usually on sale somewhere within each marketing area, which we define by their unique geographic, meteorological, and consumer characteristics.

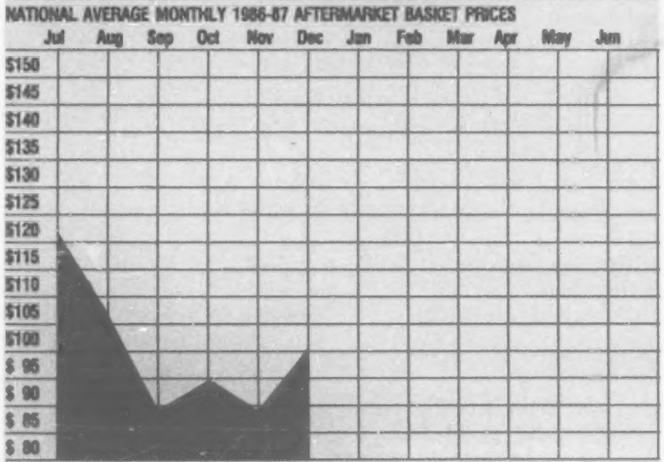
DECEMBER 1986 NATIONAL AVERAGE MARKETBASKET PRICES

A non-resistor spark plug:	$ .73	A gas-charged shock:	$ 12.57
An oil filter:	2.02	One gallon of antifreeze:	3.11
A can of 10W30 oil:	.76	One pair of wiper refills:	2.19
A can of paste wax:	4.99	A 40-month battery:	32.81
An AM/FM/Cassette:	41.95	Total:	$101.13

DECEMBER AM MARKETBASKET PRICES BY MARKETING AREA

		3. Smokestack East:	$100.94
		4. Old South:	135.38
		5. Caribbean South:	109.11
		6. Smokestack Central:	100.94
		7. Grainbelt Central:	77.89
		8. Spanish West:	115.18
1. Greenbelt East:	$79.49	9. Desert West:	101.13
2. Megapolis East:	106.61	10. Greenbelt West:	84.60

NATIONAL AVERAGE MONTHLY 1986-87 AFTERMARKET BASKET PRICES



AFTERMARKET BUSINESS INDICATORS

	Unit/Base	Mo/Qr	Current Period	Prior Period	Year Ago, Same Period	Low (61-87)	High (61-87)
Personal Income	billion	3Q	$3,498.8	$3,483.3	–	1Q 61	3Q 86
Total Retailer Inventories	billion	Dec	$172.69	$174.79	$165.51	–	–
Consumer Price Index	67 = 100	3Q	2.6	-1.7	3.5	1Q 61	3Q 86

AMERICAN-BUILT CARS SOLD IN FEBRUARY 1-10 1987

New car sales were slow the first two months of 1987, as the new tax law took away incentives for new car purchases. To help compete this, manufacturers – even Japanese – manufacturers have been offering new incentives, including discounts and longer service warranties than ever before. Even so, the declining trend continued into February, according to preliminary figures.

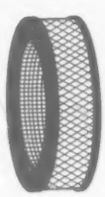
Maker	1987	1986	% Change
American Honda	7,539	3,453	118.3%
American Motors	850	1,800	-52.8
Chrysler	21,744	22,113	-1.7
Ford	43,395	42,870	8.2
General Motors	90,652	99,621	-9.0
Nissan	1,908	1,368	39.5
Volkswagen of America	714	1,147	-37.8
Total U.S. Industry	170,134	172,327	1.3

Sources: E.F. Hutton & Co., Motor Vehicle Manufacturers Association

1987 AFTERMARKET STOCK PRICES

The figures below are the high and low prices offered and paid for various retail chain, manufacturer, and distributor common stocks in different stock exchanges for the 52 week period prior to February 13.

	Exchange	52-week High	52-week Low	2/13 Quote	P-E
Armor All	OTC	15 1/2	10 1/4	14 3/4	–
Cardis Corp.	AMEX	10	5 7/8	6 1/8	6
Champ Parts	OTC	11	3 1/2	9 5/8	38
Champ Spk Plg	NYSE	12 3/4	8 3/4	11 3/4	–
Crown Auto	OTC	4 1/4	3	3 1/8	16
Dana Corp.	NYSE	42	25 1/2	39 7/8	16
Duralon	OTC	18	9 7/8	11 1/4	15
Echlin	NYSE	24 3/8	15 1/4	22 5/8	20
Genuine Parts	NYSE	51 5/8	36 1/4	49	21
Prkr Hannfin	NYSE	37 5/8	20 1/4	34 1/4	17
Pennzoil	NYSE	81 1/8	48 1/8	81 1/8	63
Pep Boys	NYSE	48 1/4	26 1/4	47 3/4	32
Perry Drugs	NYSE	20 7/8	12	13 1/2	23
Purolator	NYSE	30 1/4	15	29 5/8	–
Quaker State	NYSE	30	23	27	13
Republic Auto	OTC	10	6 5/8	8 7/8	–
Rite Aid	NYSE	37 1/4	26 1/2	36 7/8	21
Sealed Power	NYSE	33 7/8	23 1/8	33 1/4	15
Southland	NYSE	60 1/2	44	50	11
Stan Mtr Prod	NYSE	24 3/8	13 1/2	24	19
Supr Ind	AMEX	16 3/8	11 1/8	15	11
TBC Corp.	OTC	18	8 3/4	17 1/4	14
Tenneco	NYSE	44 1/2	34 1/2	44	–
Trak Auto	OTC	18 3/4	11	13 3/4	145
Triad Systems	OTC	13 5/8	8 1/2	13 3/8	28



PRODUCT OF THE MONTH: AIR FILTERS

Drawing from the 1987 *Automotive Marketing Consumer Automotive Repair Study*, we look at the individuals who purchased and installed air filters during a 12-month period.

			Age					Income				Hours Per Month Spent On DIY				Number Of Cars Responsible For		
Total	Male	Female	-25	25-34	35-44	45-54	55+	-$20K	$20-30K	$30-40K	40K	-1 hr	1-5 Hrs	6-10 Hrs	11+ Hrs	1	2	3 or More
100.0%	70.5%	29.5%	11.7%	27.7%	25.1%	14.7%	20.5%	24.7%	20.5%	17.2%	22.0%	21.9%	57.9%	11.4%	7.6%	41.0%	35.3%	23.7%

CONSUMER AUTOMOTIVE REPAIR STUDY

Introduction

There's both good and bad news for aftermarket retailers. There are more DIYers than ever—but each one is buying less product.

by **Rosemarie Kilchin**, Editor; **Philip Katcher**, Research Editor; **Gail Krueger-Nicholson**, Senior Editor; and **John Wirebach**, News and Features Editor

Here's the story in a nutshell: in 1984, 71% of the country's population did some sort of DIY work on their vehicles; in 1987 this percentage had grown to 79%. At the same time, however, most product categories seem to be slipping in sales penetration.

There are more significant changes in the DIY market, too, that are revealed by comparing our 1984 *Consumer Automotive Repair Study* with our 1987 *Consumer Automotive Repair Study*. There are now 9% more women DIYers then there were three years ago. The number of college graduates jumped 6%, while those DIYers who failed to graduate high school fell 5%. There are 18% less DIYers who are younger than 24-years-old, while there are 9% more DIYers in the 25-44 year old age bracket.

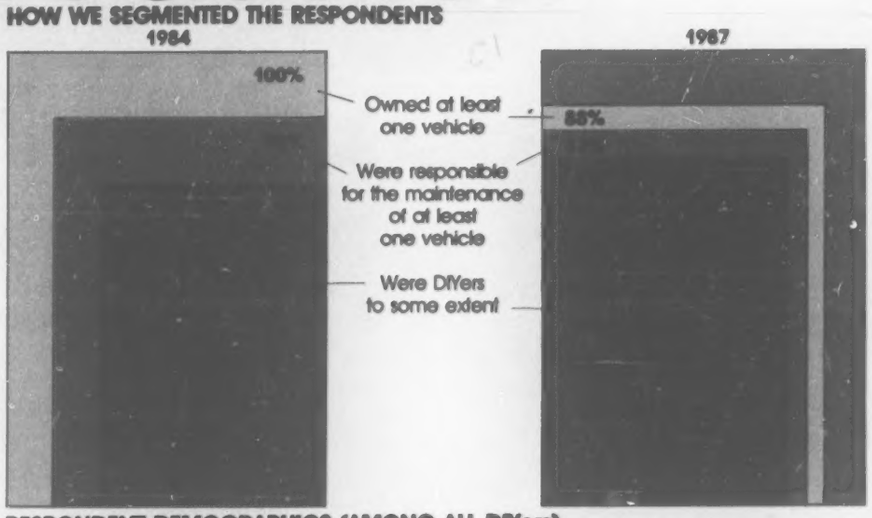
There are 12% less DIYers who make less than $20,000 annually, while 9% more make more than $40,000 a year. Now, 4% more hold white collar jobs, while the number holding blue collar jobs fell 6%. DIYers own more cars, too, with 5% more owning two or more cars in 1987 than did in 1984.

And, the average DIYer owns a domestic nameplate vehicle—overwhelmingly one made by General Motors Corp.

The picture, therefore, of 1987's DIYer is one of a male (although the number of women is constantly growing strongly), who is better educated and makes more money than before, holds a white collar rather than a blue collar job, is responsible for more vehicles than before, but still drives his "Chevy to the levie."

Interestingly, 22.8% of DIYers we surveyed indicated that they were responsible for maintaining a vehicle that they didn't own. What kind of people were these? Most of them (44.0%) made less than $30,000 annually, while 32.6% made less than $20,000. Most (66.5%) were responsible for maintaining two or

HOW WE SEGMENTED THE RESPONDENTS



RESPONDENT DEMOGRAPHICS (AMONG ALL DIYers)

What was the sex of the DIYer respondents?

	1984	1987
Male	74%	65%
Female	26	35

What was the marital status of the DIYer respondents?

Married	64%	62%
Divorced/Separated	12	12
Widowed	4	5
Never married	19	21
No answer	1	0

How well educated were the DIYer respondents?

Less than high school grad	14%	9%
High school grad	40	39
Some college	24	24

How old were the DIYer respondents?

Under 18	1%	*
18-24	29	12
25-34	18	25
35-44	18	22
45-54	12	12
55-65	14	13
Over 65	9	17

How much do the DIYer respondents make per year (household income)?

Under $10K	13%	8%
$10K-20K	28	21
$20K-30K	14	21
$30K-40K	14	15
$40K-50K	6	8
Over $50K	6	13
No answer	19	14

What do the DIYers do for a living?

	1984	1987
Professional/Tech	16%	20%
Managers/Admin	11	10
Sales	4	5
Clerical	6	9
Craftsmen	17	14
Operators	5	6
Transport Operatives	5	4
Laborers	2	2
Farmers	2	1
Service Workers	7	4
Armed Forces	2	*
Housewives	5	8
Students	3	3
Retired	12	12
Unemployed	3	2

How many vehicles were the DIYer respondents responsible for?

1	48%	43%
2	35	37
3	11	13
4+	6	7

Where do the DIYer respondents live?

House	74%	76%
Apartment	17	17
Mobile home	7	7

Do the DIYer respondents rent or own?

Own	71%	68%
Rent	27	30

* Indicates a percentage too small for accurate measurement.

CONSUMER AUTOMOTIVE REPAIR STUDY

more cars—most likely their own and someone else in the same household's. Almost half (48.7%) increased their DIY work over the past year. Many (38.0%) were serious DIYers, putting in more than 6 hours a month on automotive DIY work. And, 54.9% were less than 34-years-old.

The Serious DIYer

In all, 19.7% of the DIYers we surveyed did notably more work on their cars than the average (57.6% put in 5 hours or less monthly). This number has fallen slightly from the 21% who did this much of their own work monthly in 1984. But this is still the best customer group an automotive parts and accessories retailer can have. Because, this group of less than 20% of all the DIYers out there buy 42.8% of all the headlights, 47.6% of all the custom wheels and wheel covers, 48.7% of all the struts, 35.8% of all the car sound equipment, 42.1% of all the starter motors,40.7% of all the water

STUDY METHODOLOGY

The aim of the Consumer Automotive Repair Study *is to produce an accurate and complete study that can be projected across the entire country's population.*

To do this, Automotive Marketing *retained the services of one of the nation's largest professional research firm, Chilton Research Co. Its trained researchers telephoned 1,711 households throughout the country. They asked first if there were a motor vehicle owned by someone in the household. In 1,499 cases there was.*

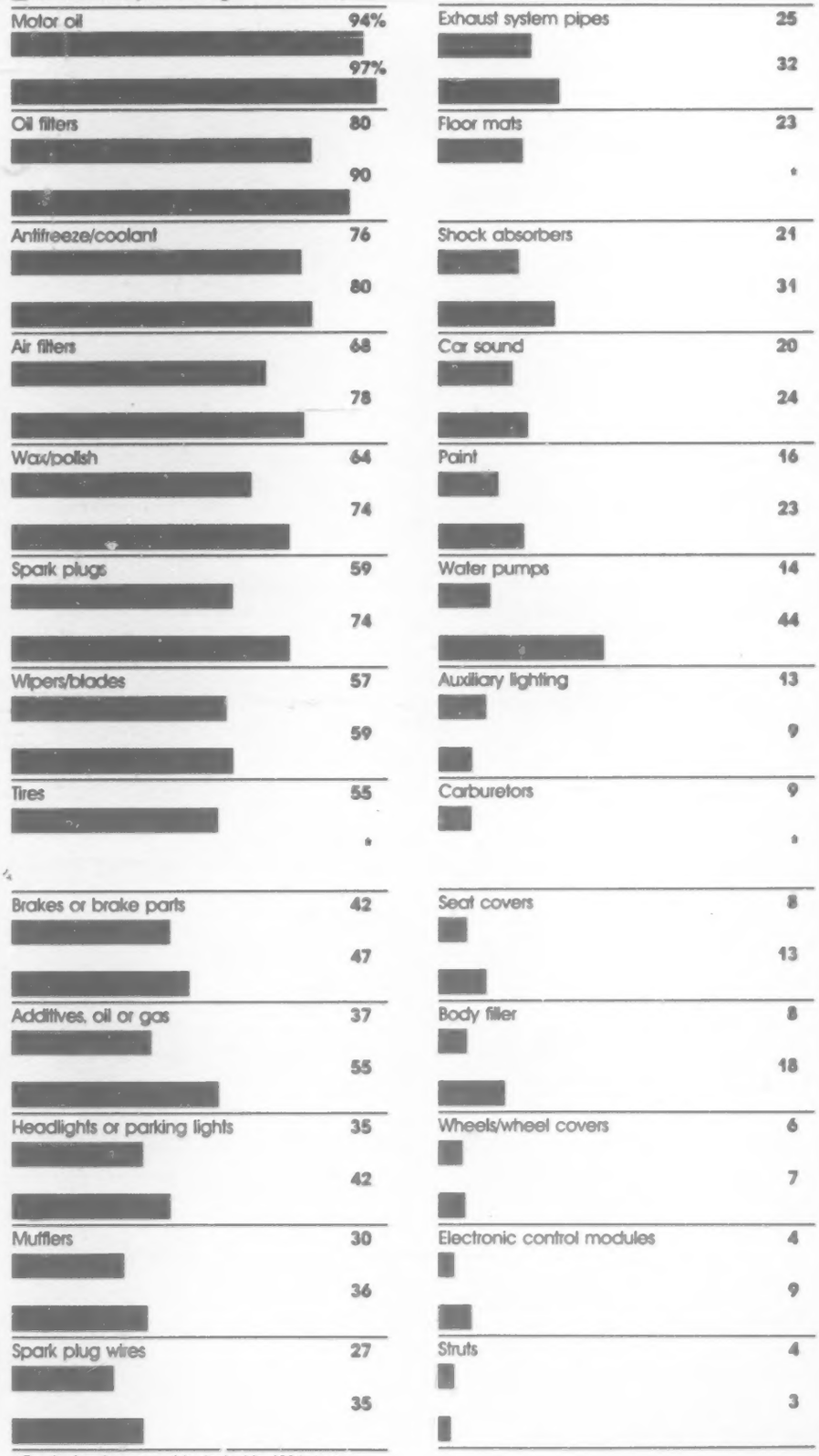
The researchers then asked if the person answering the telephone were responsible for vehicle maintenance. Yes, 1,250 individuals answered. They next asked if the respondent actually did any repairs or maintenance on the vehicle, ranging from simple waxing and polishing of the vehicle to major motor jobs. This question narrowed the respondents to 981. This screening process, designed to produce a base that could be accurately compared to our first DIYer study, the 1984 Vehicle Maintainer Study *(actually made in 1983), yielded the data for the 1987* CARS *study (actually made in 1986).*

These 981 DIYers, ranging from serious to occasional DIYers, who live throughout the country, then were asked the full set of questions about themselves, the cars they owned, and the automotive products they bought over the year prior to our questioning them.

ITEMS PURCHASED

We asked DIYers what products they bought over the year prior to our study. Motor oil was the most popular item, but traditionally slow-moving hard parts finished higher than expected when compared to other accessories.

■ % of DIYers purchasing in 1987 study
■ % of DIYers purchasing in 1984 study


Motor oil 94% 97%
Oil filters 80 90
Antifreeze/coolant 76 80
Air filters 68 78
Wax/polish 64 74
Spark plugs 59 74
Wipers/blades 57 59
Tires 55 *
Brakes or brake parts 42 47
Additives, oil or gas 37 55
Headlights or parking lights 35 42
Mufflers 30 36
Spark plug wires 27 35
Exhaust system pipes 25 32
Floor mats 23 *
Shock absorbers 21 31
Car sound 20 24
Paint 16 23
Water pumps 14 44
Auxiliary lighting 13 9
Carburetors 9 *
Seat covers 8 13
Body filler 8 18
Wheels/wheel covers 6 7
Electronic control modules 4 9
Struts 4 3

* Product category not included in 1984 study

CONSUMER AUTOMOTIVE REPAIR STUDY

DIYERS AND THEIR CARS

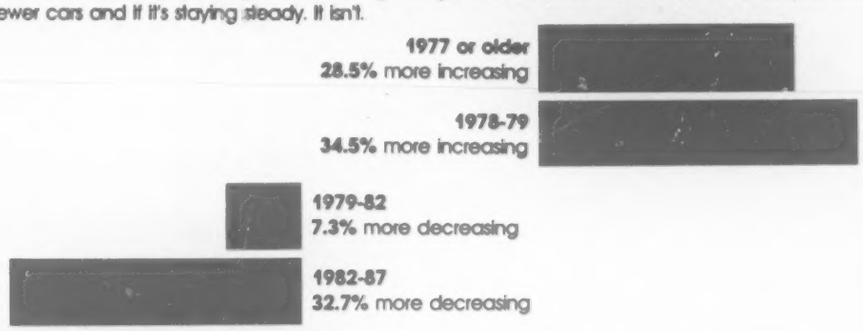
WHAT KIND OF CAR DIYERS OWN

After screening out DIYers who owned two or more cars, we found that domestic-built cars were the most popular among DIYers.

Make	% of DIYers owning
General Motors Corp.	42.0%
Ford Motors Co.	20.1
Asian nameplates	14.8
Chrysler Corp.	13.5
European nameplates	6.0
Jeep/AMC	1.4

VEHICLE AGE AND INCREASING/DECREASING DIY INVOLVEMENT

We matched those who told us their car model years with those who said they were going to increase or decrease the level of their DIY work in the near future. Breaking it out by car year, we subtracted the smaller percentage from the larger to get some idea of the level of DIY work done on newer cars and if it's staying steady. It isn't.



CARS, VANS, OR LIGHT TRUCKS

If the DIYer had only one vehicle, what was it?

Car	86.7%
Light Truck	10.2
Van	3.1

INCREASING OR DECREASING DIY WORK BY CAR MAKE

We asked DIYers with one or more cars, after finding out what type of cars they owned, if they planned to increase or decrease DIY work in the immediate future. Most foreign nameplate car owners planned to decrease what they did themselves – something that bodes no good in an aftermarket serving an increasing number of foreign car owners.

Decrease DIY Work	Nameplates	Increase DIY Work
76.2%	General Motors Corp.	60.9%
33.7	Ford Motor Co.	42.5*
38.2	Asian nameplates	26.2
23.8	Chrysler Corp.	22.4
13.5	European nameplates	14.6**
0.9	Jeep/AMC	4.5

* No owners of Lincolns or Mercuries planned to increase their DIY work.
** 10.2% of Volkswagen owners planned to increase their DIY work, only 4.6% of all other European nameplate cars did.

VEHICLE AGE

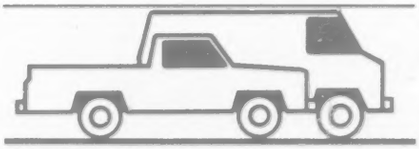
Among all owners of only one car, we asked what model year it was.

Model Year	% Owning
1975 or older	15.2%
1976	4.3
1977	5.5
1978	5.9
1979	7.6
1980	5.9
1981	6.9
1982	7.1
1983	8.5
1984	8.1
1985	12.6
1986	9.7
1987	0.5
Don't know/refused	2.2

PRIMARY VEHICLES

Most light truck and van owners also own another type of vehicle.

Light truck owners who also own:	
3 or more vehicles	48.4%
2 vehicles	38.5
1 vehicle	13.4



Van owners who also own:	
3 or more vehicles	48.0%
2 vehicles	38.8
1 vehicle	3.3

pumps, and 40% of all the seat covers sold over the course of a year.

So, it's not surprising that they are big auto store shoppers. In all, 60.0% of these heavy DIYers visited an automotive parts store at least once a week during the course of a year, while only 40% of those who did an average or less amount of vehicle maintenance work themselves visited an auto store as often.

This group is largely male: In all, 24.9% of male DIYers and 9.7% of female DIYers fall into it. Serious DIYers maintain more vehicles than usual; 32.3% maintaining three or more vehicles, compared to 17.1% with two and 15.5% with one. Among those making between $20,000 and $30,000 annually, 24.5% of the DIYers are these serious DIYers.

Slightly more owners of light trucks and vans are, by the way, serious DIYers than are car owners.

The DIYer's Vehicles

The tremendous sales increases of foreign nameplate cars in the U.S. hasn't affected the DIY market nearly as much as it has the new car market. Where 25.6% of new cars registered in the U.S. were imports, only 20.8% of DIYers drive a car with a foreign nameplate. In all, 42.5% of all DIYers own Chevrolets, while 33.7% own Fords, 12.3% own Oldsmobiles, and 9.7% own Pontiacs (totals equal more than 100% because of multiple vehicle ownership). By way of contrast, the most popular foreign nameplate car among DIYers is the Toyota, and only 9.1% of DIYers own one model or another of this Japanese car.

Obviously, the *average* foreign car owner is generally less willing to work on his car than is the domestic nameplate owner.

The exception to this rule lies in Volkswagen owners. Indeed, the second most popular imported car among DIYers is

the Volkswagen, with 6.5% of all DIYers owning one of these vehicles. And, 18.7% of Volkswagen owners are serious DIYers.

Volkswagen-owning DIYers are somewhat different from other average DIYers. Fully 50% of DIYers who own these cherished cars make less than $30,000 a year. And, contrary to what one may expect, these owners are not always younger individuals. In fact, only 29.7% of Volkswagen-owning DIYers are younger than 34-years-old. This leads one to the conclusion that DIYers who are older than the average DIYer age are buying older models, used, such as Beetles or minivans, as second cars. And, they are maintaining them themselves.

Even so, domestic car owners are a larger group of DIYers than imported car owners. For example, 30.4% of Chevrolet owners are serious DIYers, while 13.5% of Toyota owners fall into this category. In the same way, 20.9% of Ford owners are serious DIYers, compared to the 33.7% of DIYers owning a Ford.

The implication is that, while DIYers generally prefer American cars, those who own foreign ones are more apt to be those important, serious DIYer customers.

Other Vehicle Factors

Age is another important factor in determining if someone responsible for maintaining a vehicle does it himself or takes it for professional service. In all, 52.2% of DIYers own 1977 or earlier car models. And, people who own cars this old, own more than one vehicle. For example, 80.5% of those admitting to 1975 or earlier car models own two or more other vehicles. Another 42.0% own 1977 or 1976 vehicle models (again, totals equal more than 100% due to multiple vehicle ownership).

It's obvious, too, that some of the older cars that DIYers own are also older cars. For example, 40% of the DIYers we talked with who owned Lincolns made less than $20,000 annually. Of Cadillacs, 27.6% were owned by DIYers making less than $30,000 a year, an earnings range in which 48.9% of all Buick-owning DIYers fell. The implication is that these once-expensive cars were bought second- or even third-hand and are now aging machines that require constant maintenance. Hence, the large, older American cars still make up an important part of stocking requirements in the aftermarket.

And, the type of vehicle also plays some part in determining what sort of work the maintainer does on it. Only 21.3% of car owners are serious DIYers, while 30.2% of light truck owners and 23.5% of van owners fit into the same category.

Indeed, light truck owners tend to be DIYers in larger numbers than car owners across the board. Only 53.7% of them put in the average one-to-five hours of automotive DIY work monthly, as opposed to 57.4% of car owners. Van owners fall somewhere in between, with 54.1% of them putting in the average hours. As well, only 13.4% of light truck and 13.3% of van owners owned only one vehicle, while 26.2% of all car owners owned only one vehicle. Since owners of more than one vehicle do more DIY work than others, these types of vehicle owners are prime prospects for increased aftermarket sales.

The bottom line? The successful retail chain still emphasizes parts and accessories for older American vehicles, but also offers parts for major jobs for the leading import nameplates.

What They Buy

While there were some significant changes over the past three years in the basic profile of the DIYer, what DIYers actually bought has changed little. In 1984 the top five products were, in order, oil, oil filters, antifreeze/coolant, air filters, and spark plugs. In 1987 the top five products are oil, oil filters, antifreeze/coolant, air filters, and wax and polish products. Spark plugs traded places with wax and polish products, to fall to the number six slot in 1987.

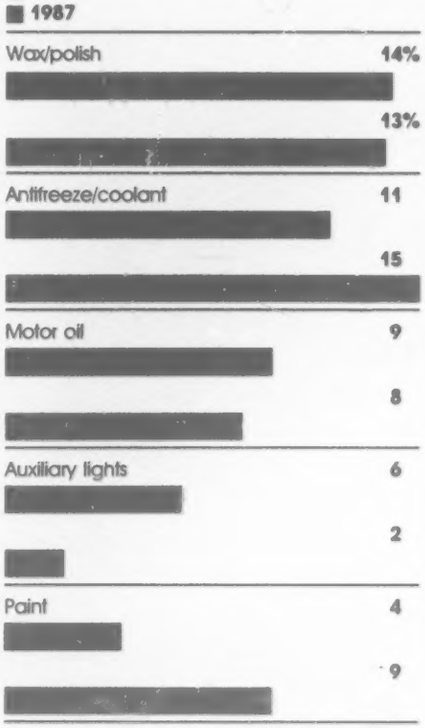
What had changed, slightly but perceptibly, was the percentage of DIYers buying these items. Where 97% of all DIYers bought oil in 1984, this year it was 93.5%. Where 90% bought oil filters in 1984, the number dropped to 80% in 1987. Antifreeze/coolant buyers fell 4% over the three years; air filter buyers and wax and polish product buyers fell 10% each.

This trend holds with serious DIYers, too, although on a lesser scale. For example, 28% of serious DIYers bought antifreeze/coolant in 1984, compared to 26.7% who bought it in 1987. Serious DIYers made up 25% of the oil-buying DIY public in 1984; they made up 23.9% of that same group in 1987. This trend, too, holds even with products that DIYers tend to buy less of over a 12-month period. For example, 76% of DIYers who bought batteries in 1984 were serious DIYers; only 28.3% of battery-buying DIYers in 1987 were serious DIYers.

So, to fill the needs of the increased number of DIYers, retailers have to make sure to maintain full product lines. Those who do, and aim their merchandising at the DIYers in their area, should get the advantage of the growing DIY market. ■

PURCHASES AT NON-TRADITIONAL OUTLETS

Three years ago we found that non-traditional outlets such as drugstores, hardware stores, supermarkets, and convenience stores had not yet made serious inroads into the automotive products business, at least as far as DIYers were concerned. They don't seem to have gained ground over the past three years.



WHY YOU SHOULD ENCOURAGE DIYERS

In 1984 we found that 25% of serious DIYers stopped in an auto store on a weekly basis. Obviously, since then weekly visits to auto stores among all sorts of DIYers has fallen off, but more people are visiting auto stores than ever.

Percentage that had shopped in an auto store weekly

	1984	1987
Serious DIYers	25%	18%
Study average	7	2
Occasional DIYers	3	0

Percentage that never shopped in an auto store

Serious DIYers	3	0
Study average	7	3
Occasional DIYers	16	8

CONSUMER AUTOMOTIVE REPAIR STUDY

Motor Oil

Not surprisingly, 93.5% of the DIYers we spoke to purchased oil in the 12 months prior to our study. Some 29.9% purchased the oil at a discount store, 25.5% purchased the oil at an automotive store, and 13.8% purchased the oil at a gas station.

And, 71.6% of these DIYers installed the oil they purchased themselves. They installed it themselves to save money (66.5%) and to make sure the job was done right (11.3%). They also installed their own oil because doing the work gave them personal satisfaction (16.2%).

Of these oil DIYers, 95.8% were male, 54.5% were between the ages of 25 and 44, 56.6% had incomes of $30,000 or less. Some 58.1% of these oil DIYers spend between one and five hours a month working on their cars and 35.4% said their DIY involvement has increased. At least 20.9% of the DIYers were responsible for three or more cars.

Some 87.1% of oil DIYers knew what brand of oil they had purchased. This is among the highest brand recognition of any item on our study. Some 42.1% said they purchased either one or the other of two national brands.

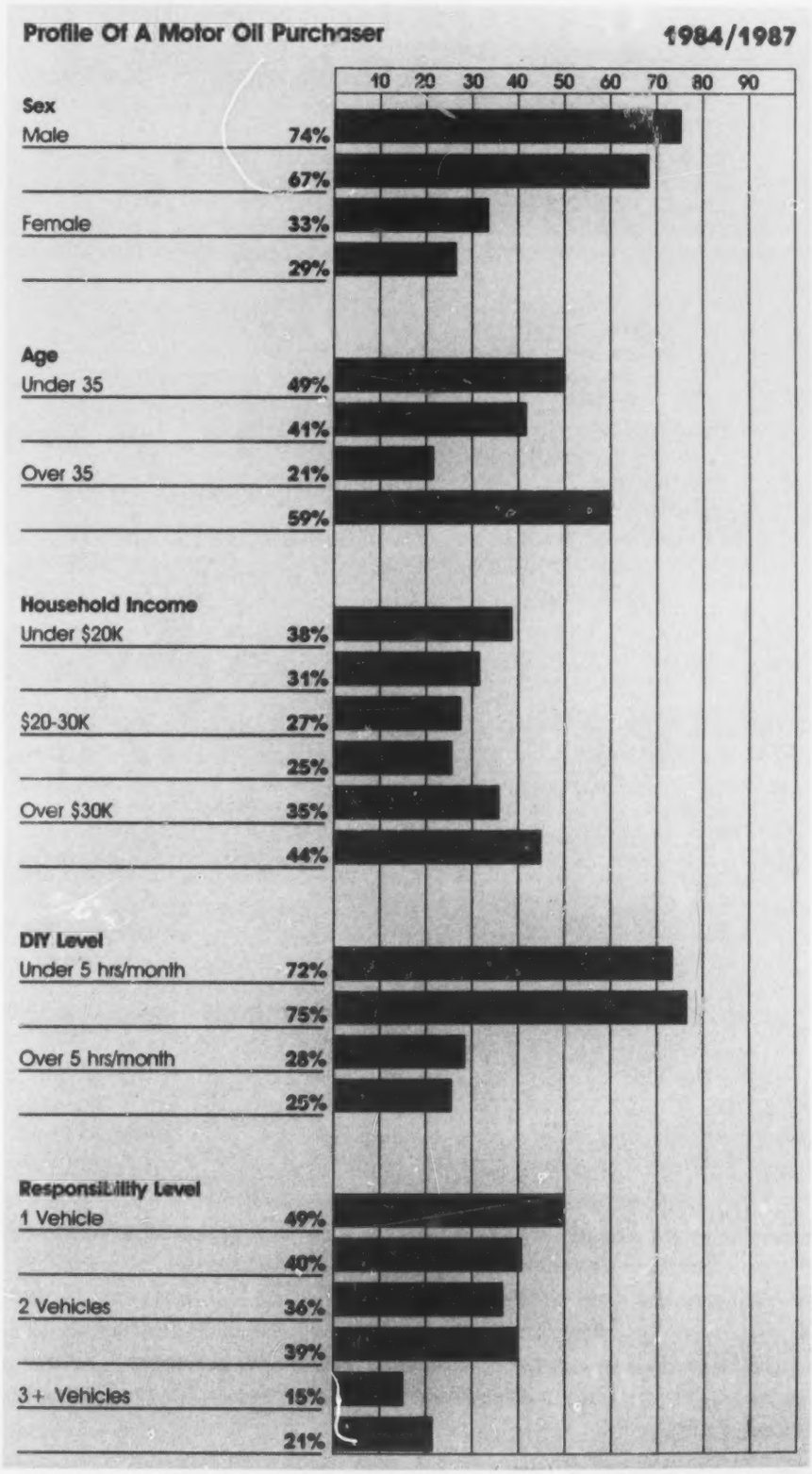
Some 14.4% of the oil DIYers said they purchased the brand they did because they used it before or always used it, a strong indication of brand loyalty.

But it's not loyalty alone that leads DIYers to purchase a certain brand of oil. The oil DIYers said quality (33.2%) and price (31.0%) were the two most important factors they considered when selecting a brand of oil.

Looking at quality, some 8.1% of oil DIYers believed the brand of oil they purchased was the best brand. When it came to price, some 20.7% of the oil DIYers said they purchased the brand of oil they did because it was on sale.

A third factor, "only brand outlet carried," was noted by 15.3% of the DIYers, probably the ones who bought their oil at a gas station.

Oil is a multiple purchase with 33.2% of DIYers buying it three to five times a year and 32.1% buying it one or two times a year. Some DIYers (11.4%) buy oil ten or more times a year. This much buying activity, combined with strong brand loyalty and price sensitivity, means it is important for retailers to carry the right brands of oil at the right prices. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Oil Filters

Not surprisingly, 80.0% of the DIYers we spoke to purchased oil filters in the 12 months prior to our study. Some 36.2% purchased their oil filters at an automotive store, 26.5% purchased the oil filter at a discount store, and 12.0% purchased the oil filter at a gas station.

And 59.4% of these DIYers installed the filter they purchased themselves. They installed it themselves to save money (72.5%), and for personal satisfaction (17.2%). They also installed their own filter to make sure the job was done right (13.7%). Another 12.2% had the filter installed at a gas station, probably the same gas station where they purchased it.

Of these oil filter DIYers, 70.8% were male, 55.8% were between the ages of 25 and 44, and 53.5% had incomes of $30,000 or less. Some 55.4% of these oil filter DIYers spend between one and five hours a month working on their cars and 34.0% said their DIY involvement has increased. At least 22.0% of the oil filter DIYers were responsible for three or more cars, while 42.3% were responsible for at least two cars.

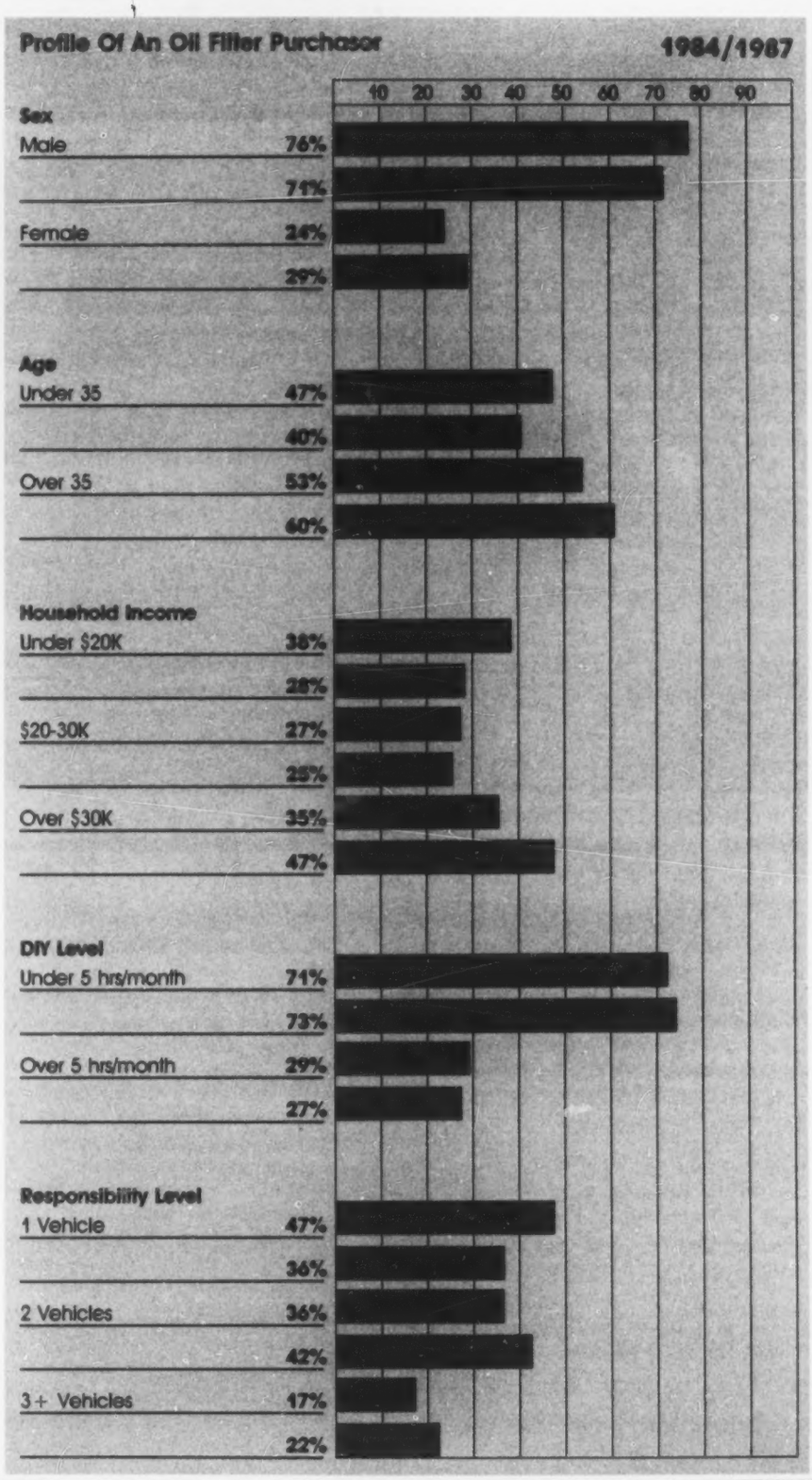
Some 64.3% of oil filter DIYers knew what brand of filter they had purchased. This is among the highest brand recognition of any item on our study, but lower than the 87.1% of DIYers who knew what brand of oil they purchased. Apparently, DIYers are more brand-aware when it comes to oil than they are when it comes to oil filters. Some 29.8% of oil filter DIYers said they purchased one national brand.

The oil filter DIYers said price (28.1%) and quality (19.9%) were the two most important factors they considered when selecting a brand of filter. In fact, some 16.6% of oil filter DIYers said the brand they purchased was on sale. Obviously, oil filter are a price-sensitive item.

A third factor, "only brand outlet carried," was noted by 21.4%.

Filters are a multiple purchase item with 55.6% of DIYers buying filters between two and five times a year. Some DIYers (6.4%) buy filters ten or more times a year.

Nevertheless, there is still a difference between the percentage of DIYers buying oil and the percentage of DIYers buying oil filters. This is a difference smart retailers can take advantage of by pushing the sale of a filter with every oil purchase. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Antifreeze/Coolants

The industry markets antifreeze/coolant as a commodity product, so it's no surprise that more DIYers in our *CARS* study bought because of price than other reasons. They also bought the product at discount stores more often than at auto stores. A rebate offer swayed brand loyalty in 2.9% of the purchases, but loyalty to this product is extremely strong (46.9%). It's apparent that consumer ads and promotion pay off for this product.

Brand awareness is exceedingly good, too, since none of our respondents misnamed a manufacturer. (Some other products were named incorrectly...like Prestone spark plugs.)

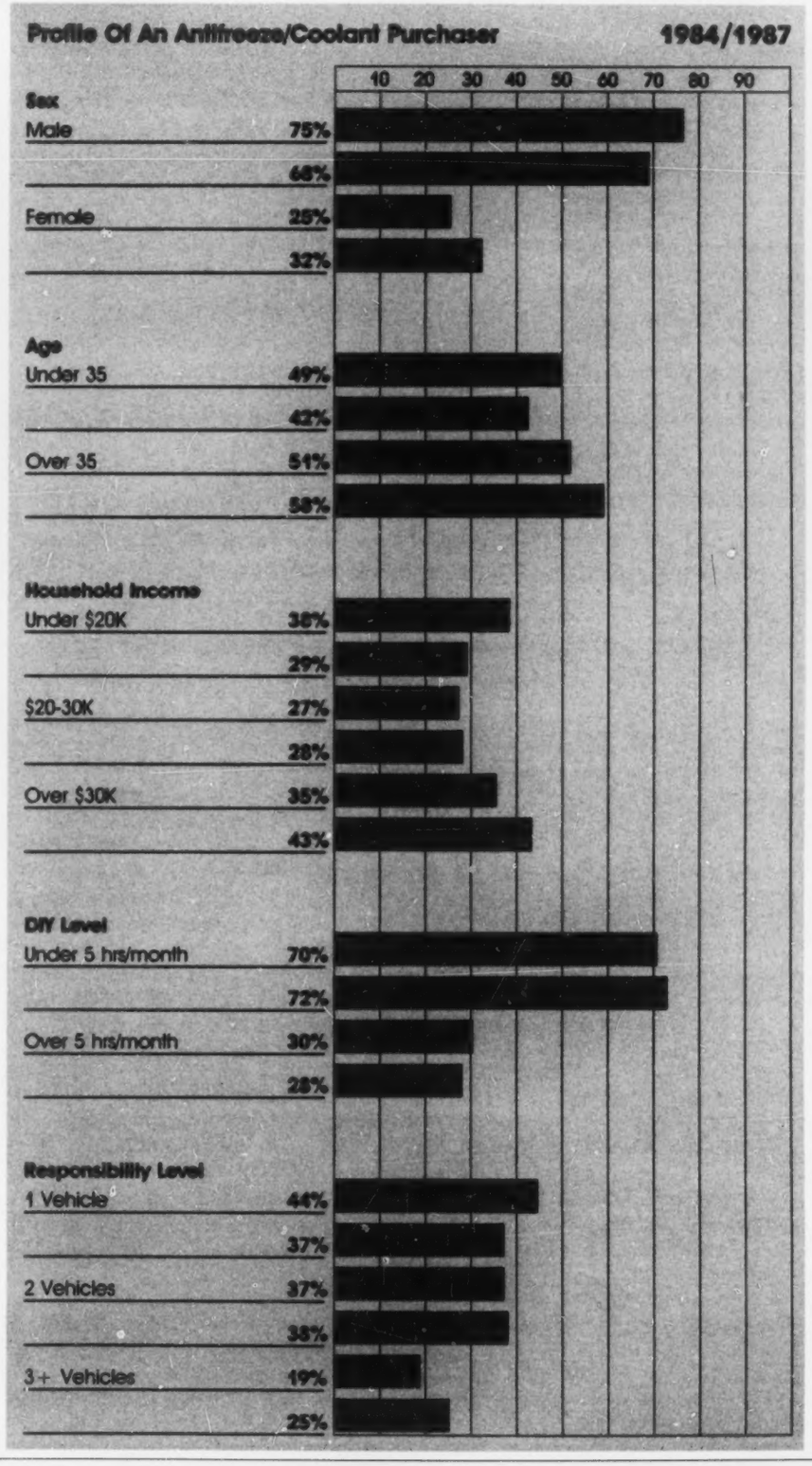
After discount and auto parts stores, consumers purchased antifreeze/coolant at department stores and gas/service stations. Just a hair behind were the supermarket/grocery sales at 8.6%.

Although nearly six percent (5.9%) of the DIY-purchased antifreeze was poured in at a gas/service station, most of our respondents poured it for themselves (76.8%) or had others in the household or friendship circle do it (12%). People poured their own antifreeze/coolant to save money (56.1%), because they like to (19.5%), to ensure that it's done correctly (17.4%), because it's easy (8.7%), or because no one else was around to do it then (6.6%).

While price ranked first in consideration for purchase, our *CARS* DIYers also bought antifreeze/coolant for quality (26.8%), convenience (15%), specific loyalty reasons (13.7%), distribution (12.7%), and advertising (4.0%).

One in four coolant/antifreeze self-installers bought the product twice in the 12 months before we phoned them, and one in 12 had bought it three to five times that year. A higher proportion of DIYers who spend between one and five hours monthly working on their vehicles buy this product than intensive DIYers, and DIYers responsible for one car's maintenance buy at nearly as high a percentage as do DIYers who maintain two cars.

The only surprise in our research into consumer purchase and installation of antifreeze/coolant was that its percentage of purchase had slipped a bit between our comparable *Consumer Automotive Repair Study* done three years ago, from 80% to 76.1%. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Wax & Polish

"Who doesn't do it themselves?" we asked about wax and polish in 1984. The answer was virtually nobody, and the same answer holds true today. In our current study, 64.2% of DIYers bought wax and polish, and 90.8% of them applied it themselves. While the percentage of self-appliers was the same before, however, the percentage of DIYers buying wax and polish dropped from 74%.

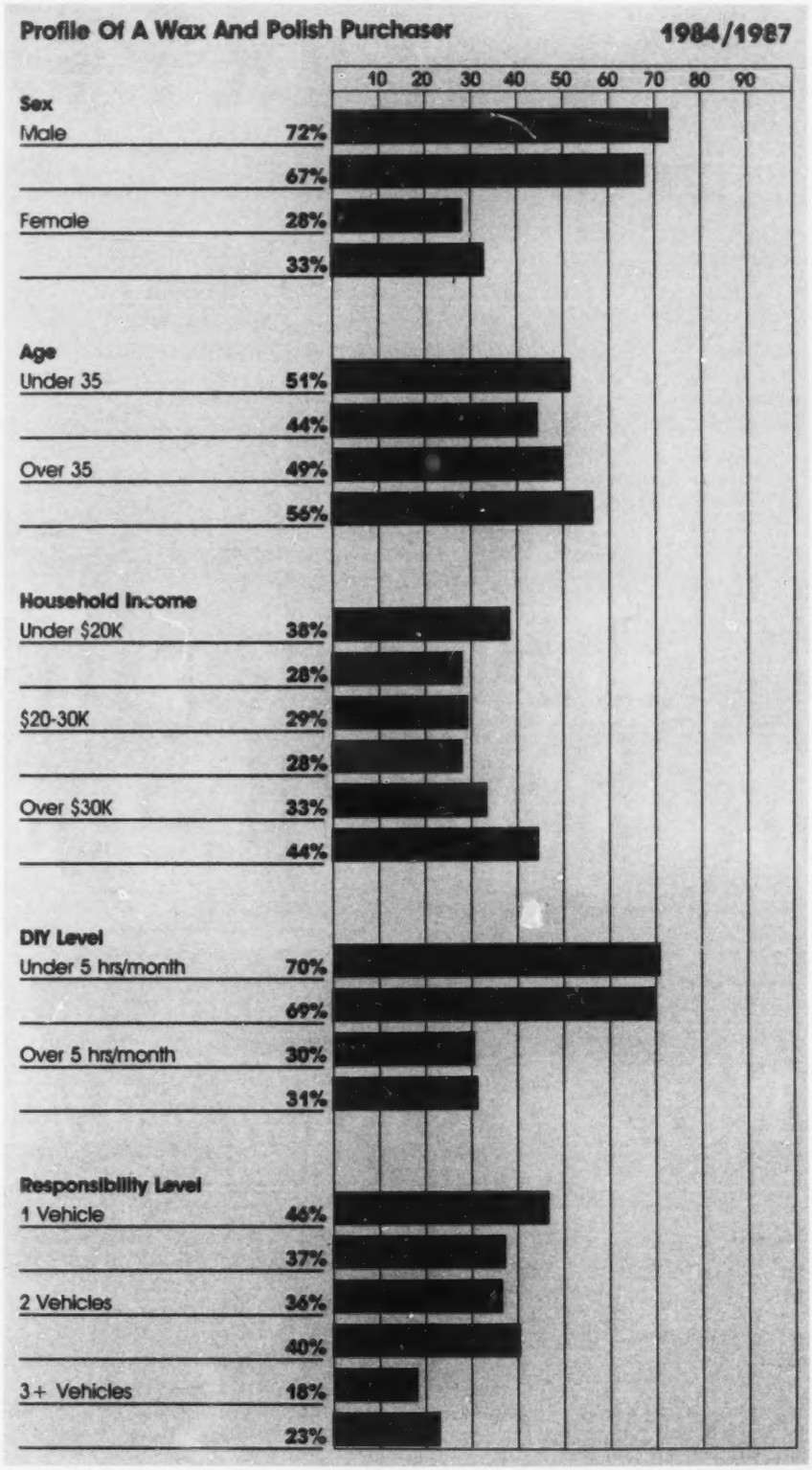
Wax and polish is often purchased outside the traditional aftermarket channels. Yet, in our last study, 49% purchased it in department or discount stores, 26% in automotive stores, and 14% in hardware stores/drug stores/supermarkets. Now, changes in this pattern were minimal, with 52.4% buying the product in department or discount stores, 28.6% in automotive stores, and 13% in hardware stores/drug stores/supermarkets.

As we said, 90.8% of DIYers who bought wax and polish put it on themselves. Even in households where the purchaser wasn't the applier, however, professional help was not sought. Another 7% of purchasers had a friend or relative wax or polish the car.

But, most DIYers don't do this to save money. They do it because they enjoy it (32.9%) or to make sure it's done right (25.2%). Of course, there's the 5.9% who did it because they couldn't find anyone else around to do it, but even they didn't consider cost a factor in who did the job.

DIYers who buy wax and polish are more brand-conscious than buyers of many other types of automotive products. Of them, 59.2% bought well-advertised national brands – Armor All, Raindance, Simonize, and Turtle Wax being the names DIYers most mentioned. As could be expected, therefore, quality was more important in making a brand purchase decision than was price. Only 22.9% named price as the most important factor, while 46.7% named quality. Consumer advertising was cited as the deciding factor by 2.9%. Another 12.1% felt the ease of using the product was the most important reason for buying it, while 12.7% "liked the way it looked."

Most (60.6%) DIYers buy wax and polish products only once a year. However, 52.3% of serious DIYers buy three to five wax and polish products annually. These serious DIYers are the best customers for these products. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Spark Plugs

Some 58.9% of *CARS* DIYers purchased spark plugs in the past year, which makes spark plugs the third most popular repair purchase category behind oil (93.5%) and air filters (68.1%).

Happily for the aftermarket, the percentage of spark plug purchasers has remained almost constant for the four years we've been surveying DIYers.

However, it's important to remember that not all purchasers did the installation themselves. Only 58.5% of our sample group who bought spark plugs actually did the installation themselves. Of the remainder, 21.4% went to a professional mechanic, 9.7% trusted someone else in the house, and 8.7% looked to a friend or relative.

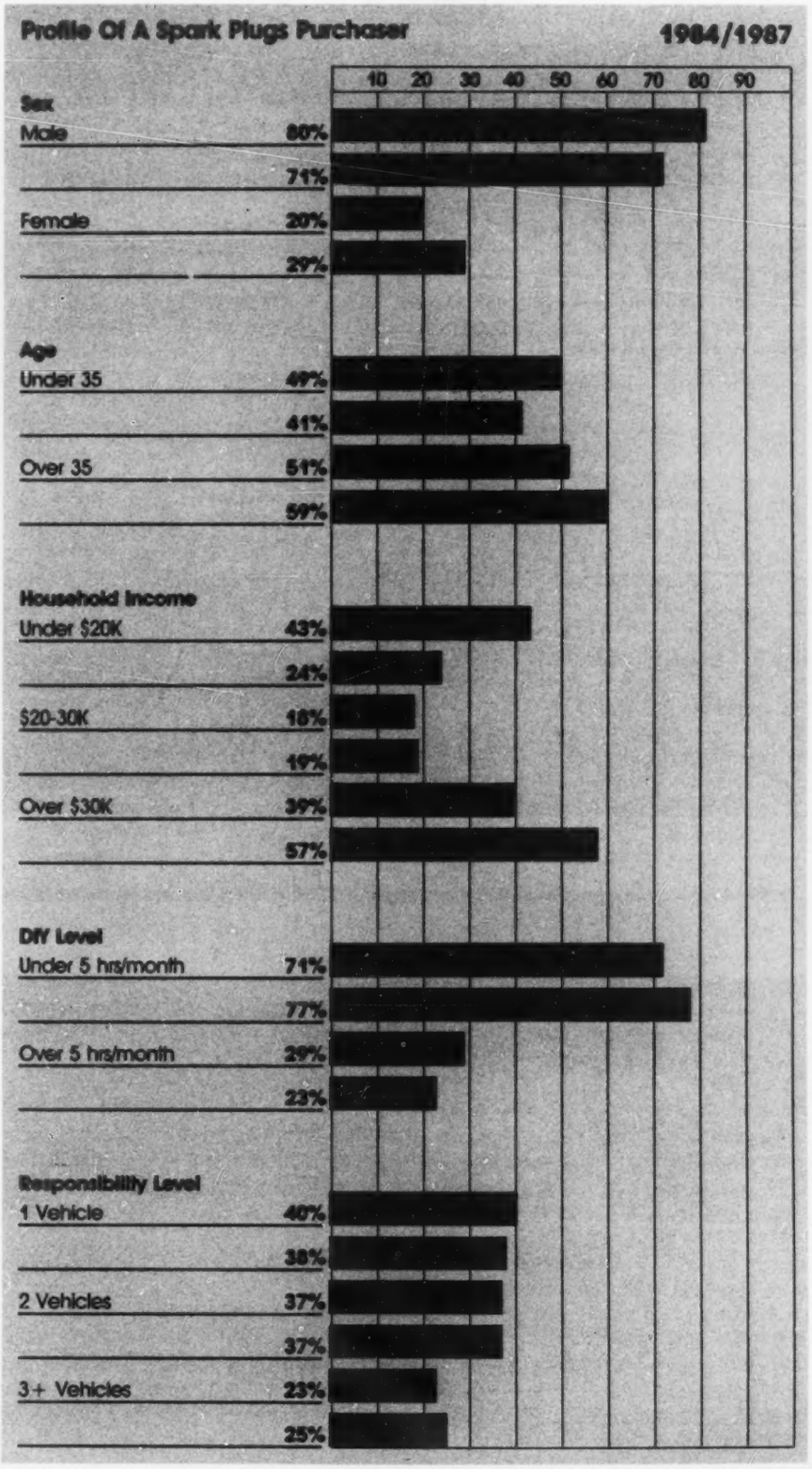
Age and income had little effect upon DIY work. But, as you might expect, serious DIYers were much more likely to actually install the spark plugs they purchased. Also, 84.6% of those DIYers responsible for three or more cars installed their own plugs.

Of the installers, 62.1% said the key reason was to save money. A small but important 17.8% said they did the job to make sure it was done right. There were also 14.8% who simply did the job for personal satisfaction or enjoyment.

Automotive stores were the preferred place of purchase with 64% of DIYers choosing the auto store. A distant second was the discount store with 12.1%. The more serious the DIYer, the more apt he is to shop the automotive store; 76.9% of DIYers spending 11 hours or more a month on DIY work shopped automotive stores compared to 58.5% of those who spent less than one hour a month.

Although 29.1% could state no reason for selecting a brand, quality and price ran fairly close as reasons for brand selection in those who did. About 21.5% said quality was the main reason for purchase, and 20.1% picked price (14.5% because the brand was on sale or special). Other reasons included 18.7% who went for a brand that fit their car, and 14.2% who had no choice at their store.

Many DIYers bought spark plugs more than once a year. Some 18% bought twice, and 6.8% three or more times. As might be expected, the majority were DIYers responsible for more than one car. However, 13.2% of one-car DIYers also fell into this category. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Spark Plug Wires

As we've found before, DIYers buy spark plug wires only half as often as they buy spark plugs (58.9%). This year, some 26.9% of *CARS* DIYers bought spark plug wires. This suggests that most cars have their wires changed about every fourth year, or, about every 30-40,000 miles at current annual mileage rates.

Checking and replacing spark plug wires is slightly more difficult than simply replacing plugs, so serious DIYers showed up frequently on our study. While serious DIYers made up only 19.7% of the DIYers on the cars study, they made up 29.2% of the spark plug wire buyers, and 36.6% of those who actually installed the wire.

However, a high percentage of all spark plug wire purchasers did their own installation, some 70.5%. Only 12.9% went to professional mechanics.

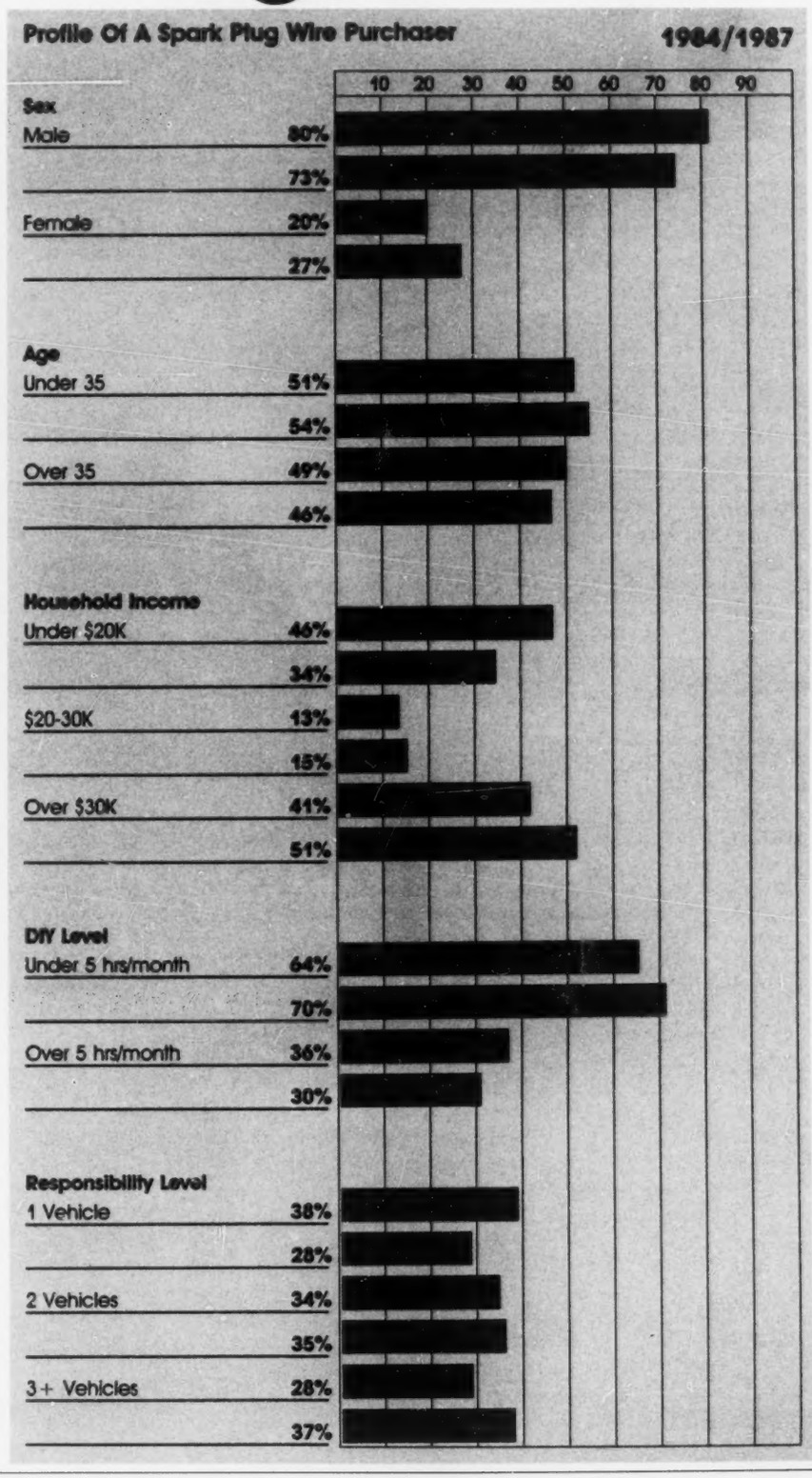
Accordingly, automotive stores did very well with spark plug wire purchasers. Some 68.9% bought the wires in an auto store, virtually the same percentage of those who installed their own wires.

Why did DIYers install their own spark plug wires? Mainly to save money, said 65.6% of the installers. Another 17.2% did it because they enjoyed the work, and 16.1% wanted to make sure the job was done right. There was also an interesting 2.2% who did the job because there was no one else to do the repair at the time it was done.

Brand recognition is very low in the spark plug wire category, although all the brands mentioned actually do make spark plug wires (in some categories we had some strange brands mentioned such as Raindance struts). But an overwhelming 59.8% did not know what brand they'd purchased. In line with this, a miniscule 1.5% of the consumers on our study recognized the brand, and less than 1% had seen it advertised.

Once again, quality and price ran close as chief reasons for buying a particular brand. At 22%, quality was the deciding factor by a hair over 20.5% buying for price. And, 19.7% purchased a brand simply because it was the only one the store carried, emphasizing the importance of distribution in obtaining market share.

Only 11.4% of DIYers made more than one purchase and almost all of these maintained more than one vehicle. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Batteries

Overall, the battery market hasn't changed much in the past three years. In 1984, 41% of DIYers reported buying a battery over the previous year; in 1987, 39.7% did the same. The good news is that this is one of the few product categories overall not to show any significant drop over the past three years.

In 1984, 28% of DIYers said they bought batteries at automotive stores; 46% at discount or department stores; and 11% at gas stations or independent garages. Again, the picture has changed little. In our 1987 study, 24.7% of DIYers bought batteries at automotive stores; 48.5% at discount or department stores, and 13.4% at gas stations or garages.

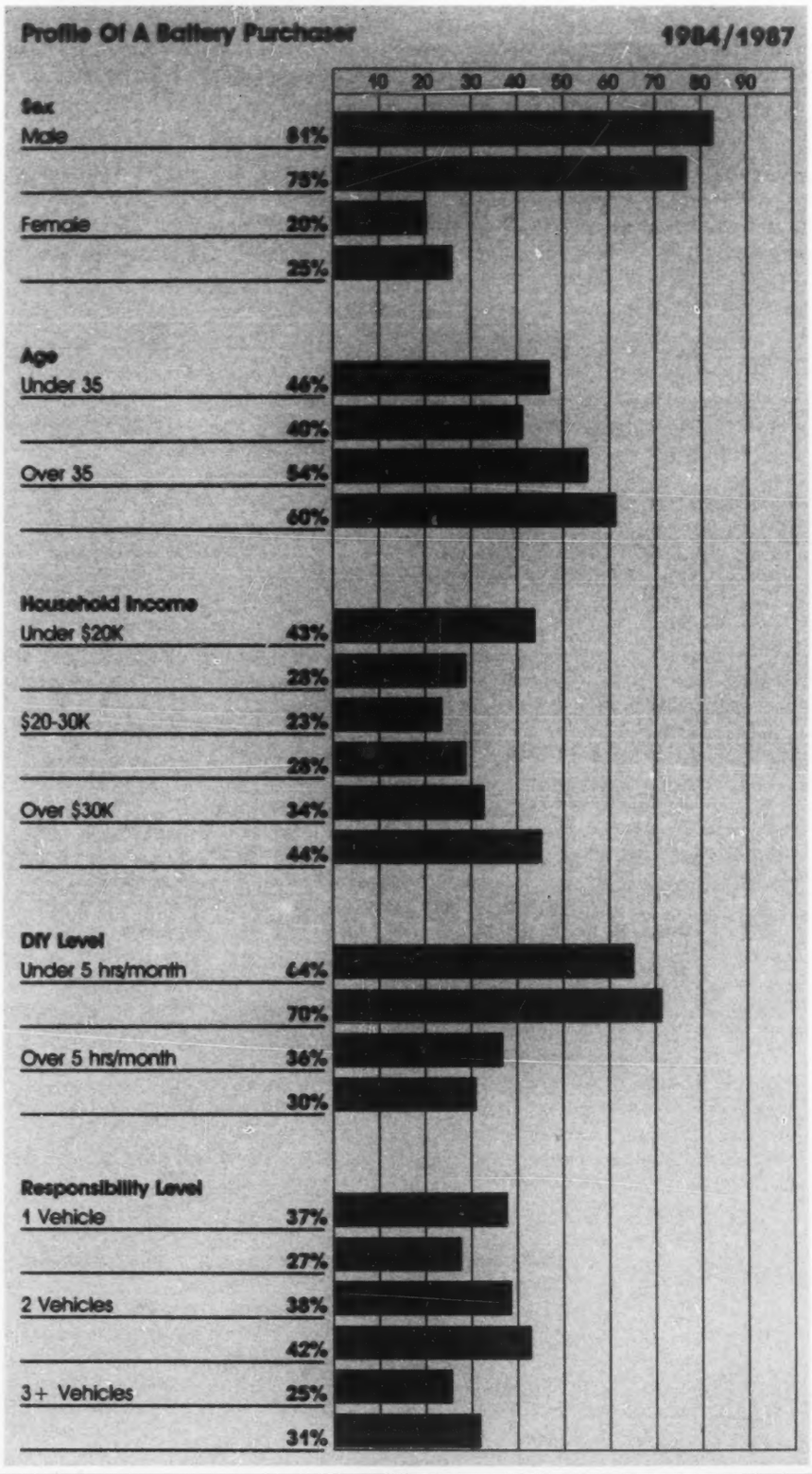
What may come as a surprise is a major change in installation trends. In 1984 we noted, "Because so many stores offer free installation with the purchase of a battery, we assumed that battery DIY work would be one of the lower categories of DIY work; and, indeed less than a quarter (23%) of the study said they had done installation themselves." In 1987 the picture was quite different; 52.1% of the respondents did the work themselves, while 9.3% had the battery they purchased installed by a relative or friend.

In 1984 we wondered "why should a DIYer buy at a traditionally more expensive outlet and then not take advantage of their service?" We're still wondering.

And, what makes us wonder more is that 63.9% of DIYers said they did it themselves "to save money." Only 10.9% did it for the fun of it, while 18.8% wanted to make sure the job was done right.

It must be that there are a lot fewer retailers who both sell batteries and offer free installation than we assumed.

Battery-buying DIYers apparently are a lot less brand conscious than we assumed, too. When we asked what brand they bought, we heard that they bought all sorts of interesting brands: Fram, Autolite, Champion, Pennzoil, and Armor All among them. With this sort of brand consciousness, it's no big surprise that a low price was the biggest reason for buying what they did among 45.5% of DIYers, while only 27.3% mentioned quality. A significant 11.3% noted that it was the only brand carried where they bought it. Since the average DIYer only buys a battery when he needs it, it's up to the retailer to sell him what he needs. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Oil & Gas Additives

The serious automotive DIYer spending more than six hours a month working on vehicles, is sophisticated enough to know the advantages of using gas and oil additives, so he buys them. He may be responsible for older vehicles in need of performance boosters, and he may work on newer vehicles benefiting from fuel injection engine additives. Slightly more than one third of our *CARS* study respondents purchased the products within the year before our call. That compares with 55% incidence of purchase in our *Vehicle Maintainer Study* published in 1984. Our data doesn't give us clues to the reasons for the vast drop.

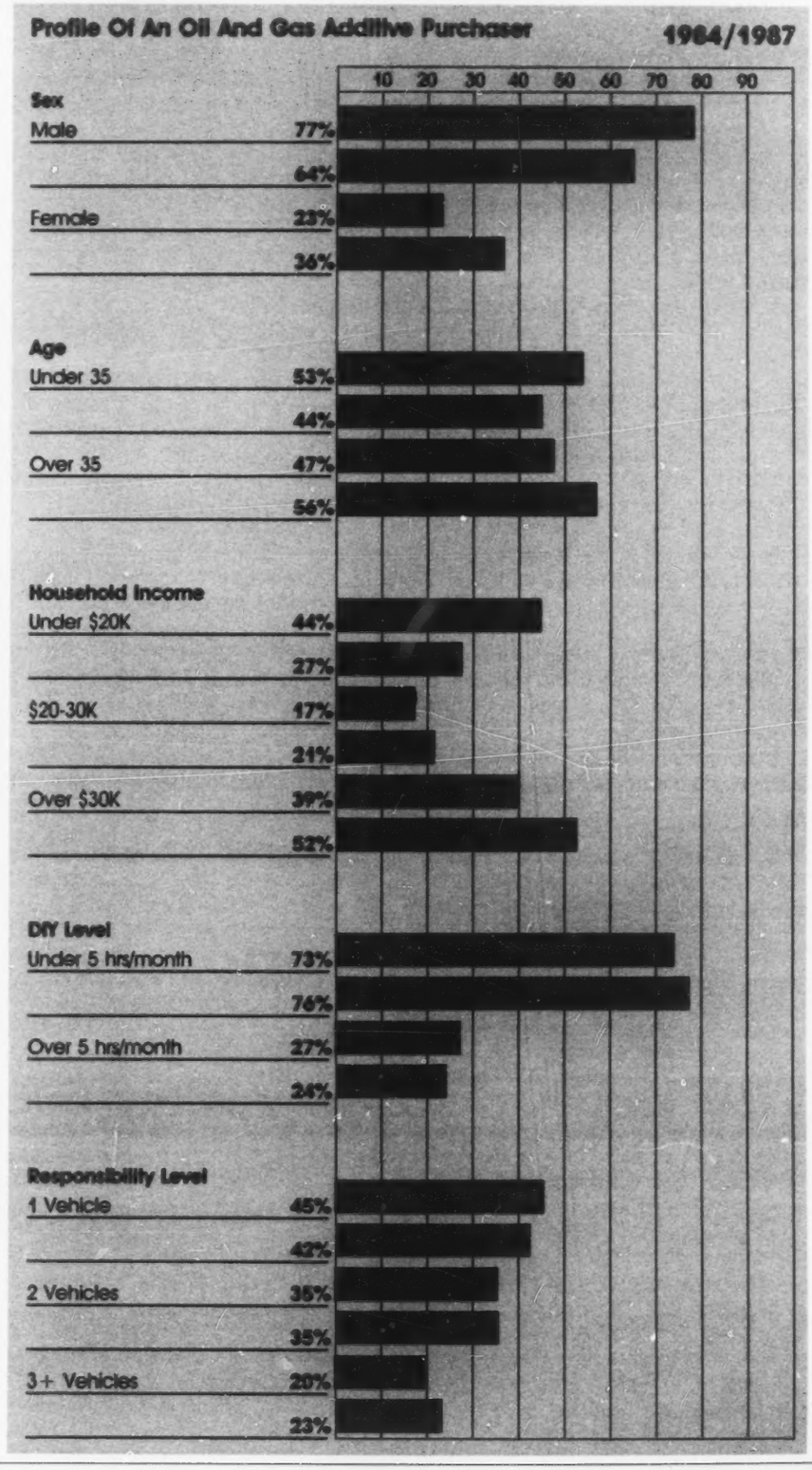
People bought these chemicals at auto stores to the greatest extent (33.5%), with discount stores accounting for 25.8% of purchases. Gas/service stations took 18.7% of the available business.

Buyers of these products installed them themselves 78% of the time. When other household members, family and friends are added in, the total is 87.9%. Gas/service stations accounted for only 6% of the installations.

People used the chemicals themselves for obvious reasons; saving money was foremost (61.3%). Personal satisfaction ranked next at 15.5%, and the lack of other people to do it accounted for 12.7% of the self-installers. "It's easy," said 8.5% of our DIYers.

When queried why they chose a specific brand of additives, our DIYers told us that price and quality were equally important to them in this category (Both were cited as the primary reason for purchase in 27.5% of our interviews.). If the nearly 10% of "always use that brand" responses were added, either price or quality would clearly lead but our DIYers didn't tell us that they "always used" the products because of price *or* quality. Slightly more than 12% of our additive buyers said they bought a brand because it was the only one on display when they shopped.

Since products like these are often added when fuel is purchased, it's no surprise that these products are purchased frequently. Our additive installers bought at these frequencies: once during the previous twelve months, 30.2%, twice 23.6%, three to five times 28.6%, between six and ten times, 8.2%, and more often than ten times that year 8.2%. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Headlights

There's no doubt that headlights and parking lights are products sold when consumers need them. With the exception of improving driving visibility by buying up to halogen beams, the only reason for replacing these utilitarian parts is need. Within our 1987 *CARS* study, 34.9% of our interviewees had bought head or parking lights within the past 12 months. This is one of the few product categories where the buyers of the product also declared that they were doing less DIY work than before. That dovetails with the demographics of the headlight/parking light buyer: he/she is somewhat older than buyers in other categories, with 25.3% of light purchasers saying they're older than 55.

Auto parts stores get 56.1% share of sales with our *CARS* parts buyers, while discount stores ring up 25.1% of the purchases. Gas/service stations sell 7.6%, department stores 5.3%, while car dealerships take 3.5% of sales.

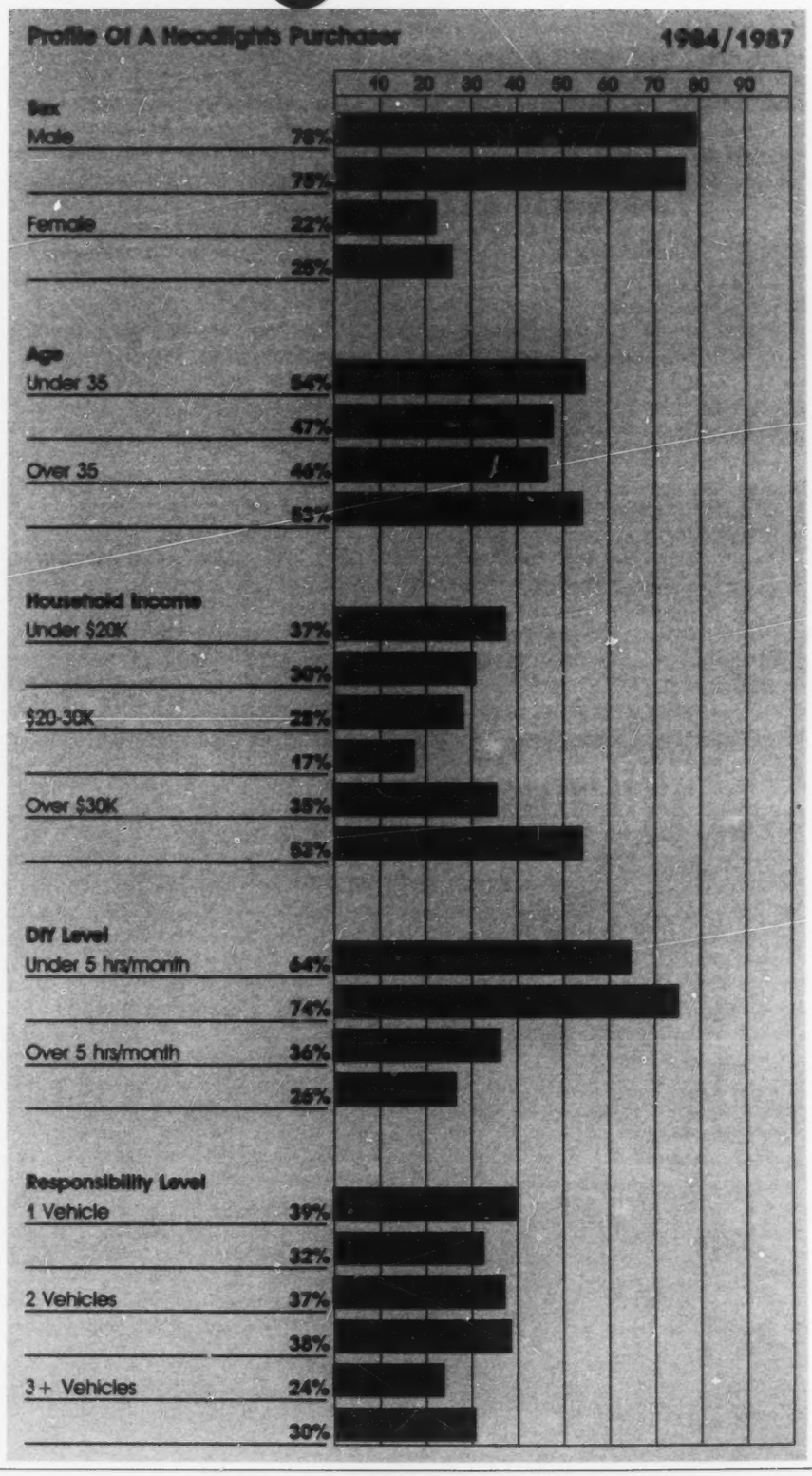
When our DIYers bought head or parking lights, they installed them themselves at a rate of 72.5%. Other household members installed 7.6%, and gas/service stations performed the task 7% of the time.

People who installed the lamps which they bought themselves did it to save money 70.2% of the time, for personal satisfaction 14.5%, and to make sure it was done correctly 11.3%.

Since these are products not yet developed as discretionary purchases, rather than necessities, brand awareness and loyalty aren't important factors with the DIYers. More than half (53.8%) didn't know the brand name of the headlight or parking light they had purchased, and the highest brand mention merited only 20.5%.

"A light is a light is a light" might be the motto of our light-buying DIYers. They bought a brand because of price (24.6%) or because of distribution (24.6%), for quality (12.3%), or because it fit the vehicle (10.5%). They bought only once within the preceding twelve months in 75.4% of the cases.

It's clear that unless suppliers and retailers see justification for developing the product category, headlights and parking lamps will continue to be bought only when needed. That's not true of the auxiliary lighting products, however. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Auxiliary Lighting

In all, 12.8% of the DIYers we contacted purchased auxiliary lighting over the past year. A significant percentage of them bought these lights not necessarily for their own use, but for friends or relatives as gifts.

DIYers shop for auxiliary lights in the traditional channel – 48.4% of them bought their lights at an automotive store. Otherwise, 22.2% bought them at discount stores, followed by 11.9% who bought them at department stores.

Most DIYers who buy auxiliary lights install them themselves. In all, 63.5% of DIYers buying the product installed them themselves, while another 11.9% had the lights installed by "another household member" and 7.1 had them installed by a friend or another relative. In the latter cases, the lights were probably gifts – indicating that they should be merchandised at gift-giving seasons.

There is a significant difference between 1984 and 1987 in terms of auxiliary lighting installation among DIYers. In 1984, 83% of DIYers installed them themselves – a considerably higher percentage than those who did the job themselves in 1987.

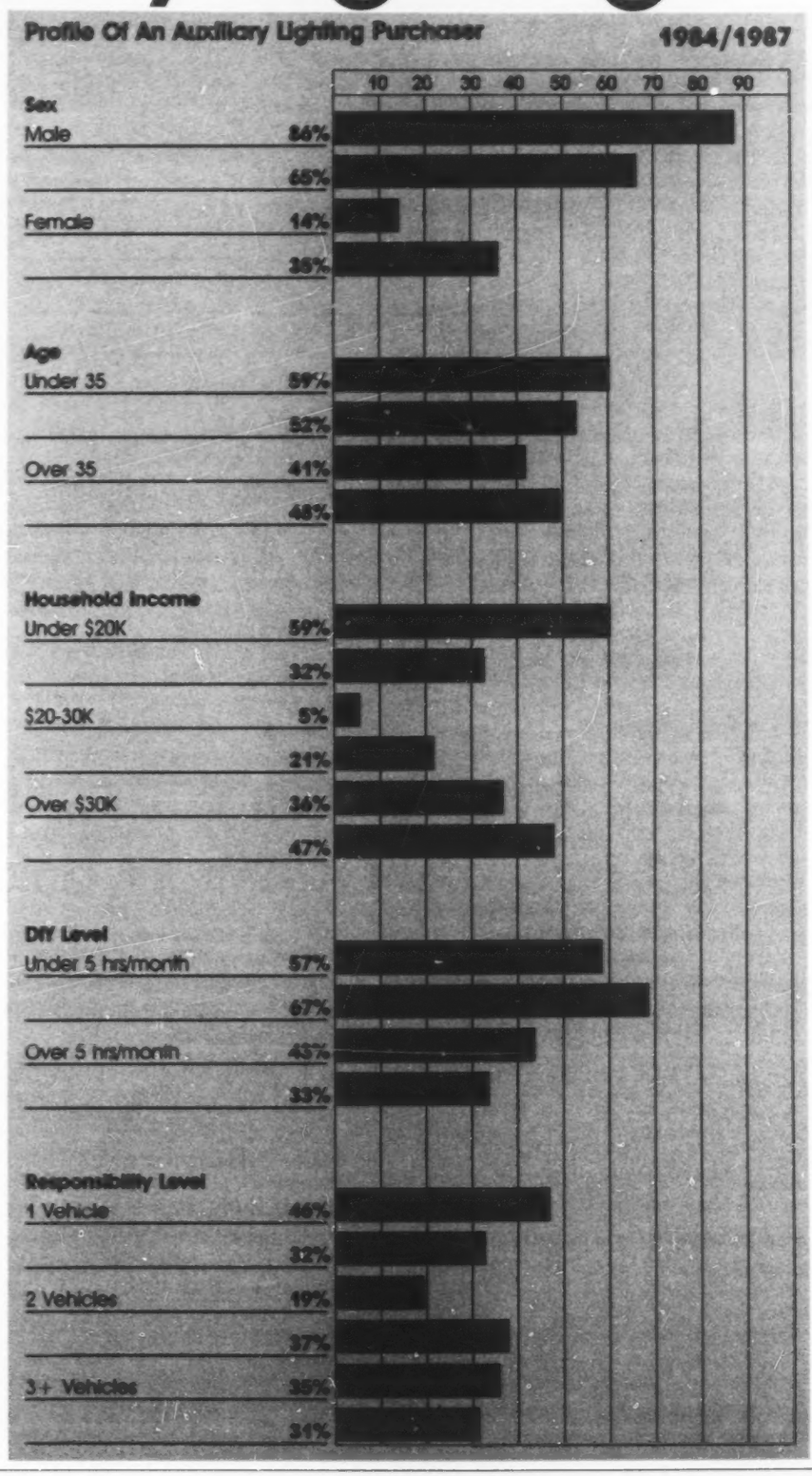
Most DIYers (66.3%) who installed the lights themselves did it to save money. Only 21.3% did it for the fun of it.

Therefore, it's not surprising to find that price considerations were the major reasons given for buying the brand of auxiliary lights the DIYers did. In all, 35.7% said they bought the brand they did because of price, while 11.9% cited quality reasons, 4.0% cited purchasing convenience reasons, and 0.8% mentioned advertising.

However, a significant 10.3% said they bought the brand they did simply because they were the only brand in stock that fit the vehicle they were being purchased for. Having sufficient coverage is therefore important in selling auxiliary lighting.

Auxiliary lighting is the kind of product a DIYer tends to buy only once a year. Only 16.7% of all DIYers who bought auxiliary lights bought the product twice or more over the course of a year.

In summary, then, the average DIYer does not buy auxiliary lighting often. But, when he does he looks for auxiliary lights that fit the vehicle, at a reasonable price. Then he installs them himself. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Shock Absorbers

The percentage of DIYers who purchased shock absorbers showed a sharp decline on this year's *CARS* survey compared with our similar study published in 1984. Some 21.2% had purchased shocks in the past year as compared with 31% who'd purchased shocks on the 1984 *CARS*.

Most likely, this doesn't mean a drop in shock absorber DIYers, it simply results from the greater number of front wheel drive vehicles equipped with struts on the road today. On these cars, only the rear wheels are fitted with shocks and consequently their shocks last much longer.

Almost half (46.2%) of the purchasers did their own installation, and another 5.7% had the work done by friends or relatives. Of those who had the shocks installed, retail aftermarket stores with service facilities attracted 19.2%. Interestingly, automotive stores with service got 10.6% of these, compared with department/discount stores' 8.6%.

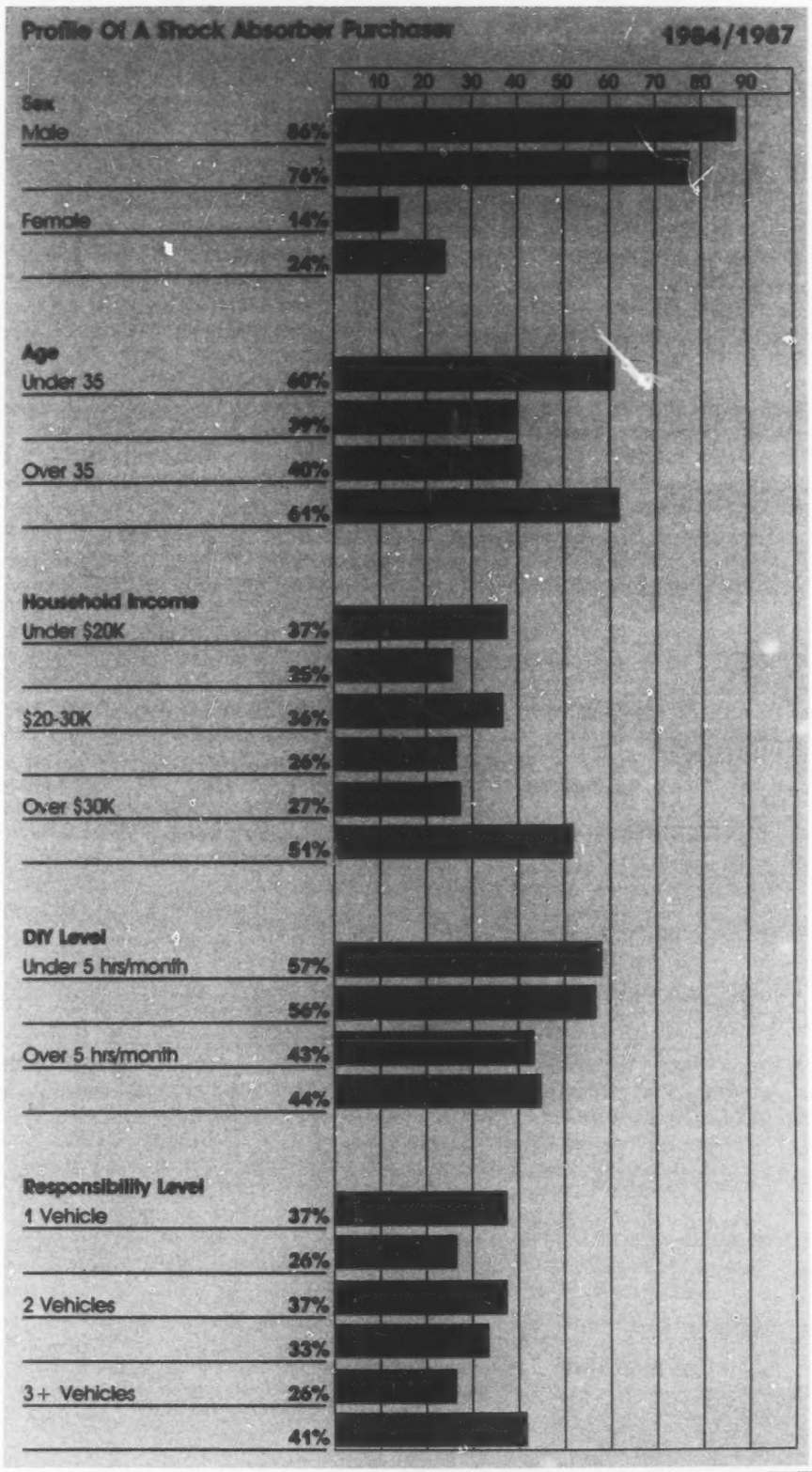
Between DIYers purchasing for their own installation and those buying for store installation work, the retail aftermarket enjoyed an overwhelming 71.1% of all purchases of shock absorbers.

The breakdown of those purchasers who went to professionals for installation was interesting. Specialty installers and professional mechanics at traditional repair facilities ran close together with 14% and 13% respectively. We thought the specialty installer segment would have done better.

The self installers of shock absorbers were 95.8% male. The major reason for doing the job was to save money, a reason named by 66.7% of the DIYers.

Only 33.7% were not aware of the brand they bought, which suggests that the makers are doing a good job of consumer advertising. But we do wonder about the DIYer who claimed to have bought Raindance shocks.

Quality was the leading reason for buying one brand over another. Some 34.6% gave this as a reason for selection. Price determined the brand selection for 31.7%, including 21.2% who went for a sale. In shock absorbers, as in many other products, it seems DIYers shop by the store's reputation rather than brand. Some 9.6% bought a brand because it was the only one available. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

MacPherson Struts

Although the 4% of *CARS* DIYers who purchased struts in the 12 months preceding the survey is still substantially less than those who purchased standard shock absorbers (21.2%) in the same period, we felt that that the time had come to break out struts as a separate category on the *CARS* report.

Does this mean more people are installing struts? It's not likely. The common wisdom in the aftermarket is that struts will last longer, and since replacement requires special tools, they will be primarily a professional replacement item. The *CARS* results support this contention.

For one thing, the percentage of strut purchasers on this year's CARS study has actually gone up only 1% since the 1984 *Consumer Automotive Repair Study* when 3% had bought struts. This suggests that despite more strut-equipped vehicles on the road, the number of strut replacements is still low.

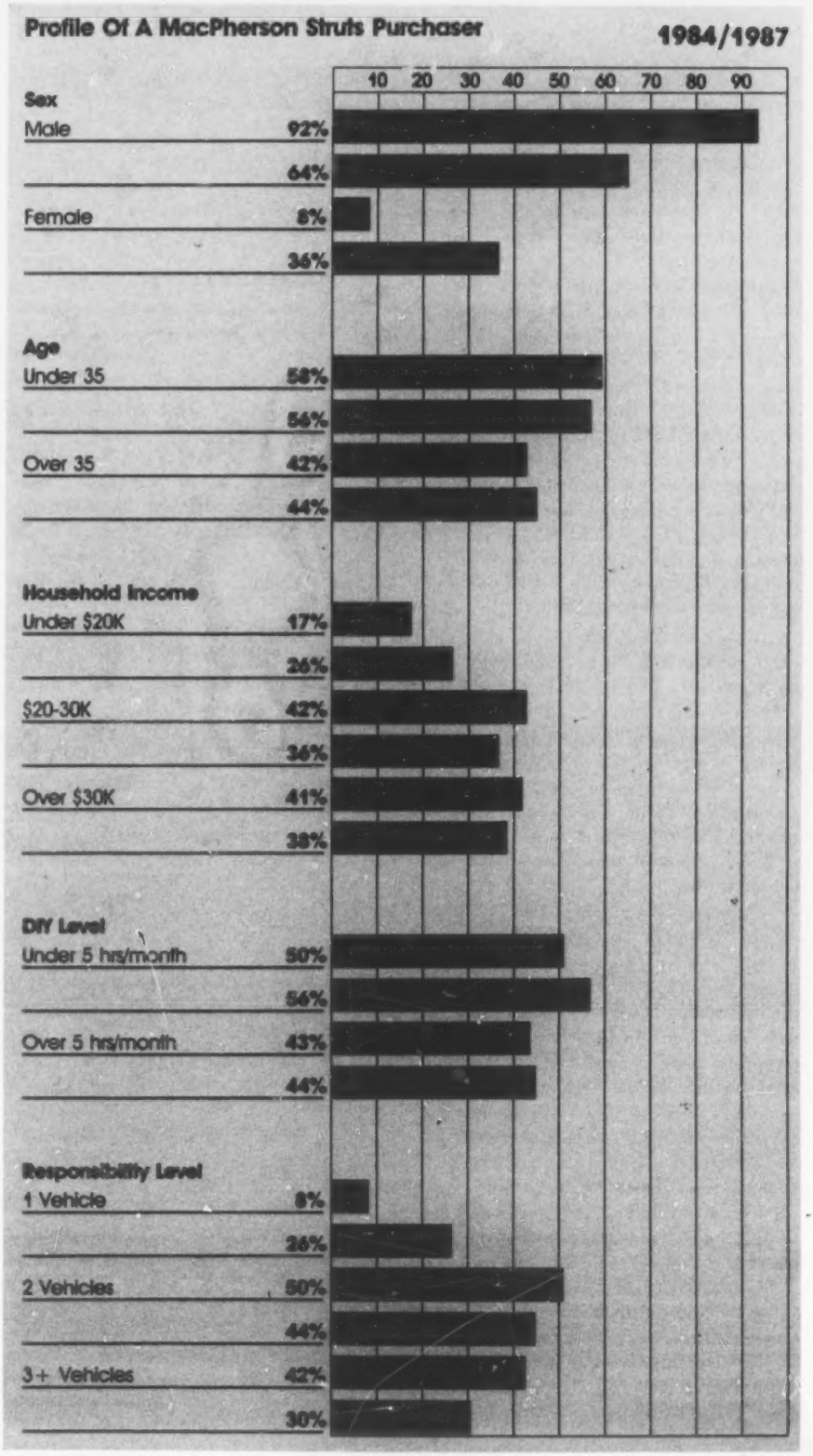
In terms of DIY work, the number of purchasers actually installing the struts was very low: only 26.3%, with another 10.6% farming the job out to a friend or relative. This left 63.1% of *CARS* DIYers who were not DIYers when it came to struts.

The data on those who installed their own struts is interesting. Strut DIYers were all male, all under 44, all serious DIYers, and 63.2% found that their DIY level of involvement had increased over the past 12 months.

The reasons for doing the job themselves were split evenly between saving money and personal satisfaction.

Brand awareness was very low. Over half the purchasers (52.6%) had no idea what brand they'd purchased, and another 10.6% named brands that don't exist. Price was the number one reason for purchasing a particular brand (31.6%), with quality as a seond choice at 26.3%. Of those who bought on price, 83.2% bought because the struts were on sale or special.

While this low percentage of strut DIYers does not seem encouraging for DIY work, it does indicate that some DIYers will tackle strut replacements and there's no reason to write off the category as a potential DIY sale. In strut replacements, DIY training and the availability of proper tools will be the key to DIY work. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Mufflers

The incidence of muffler purchase by a DIYer has decreased during the last three years since our 1984 *Consumer Automotive Repair Study* (from 36% to 30.2%), and it's no surprise. With new technology such as the stainless steel material lengthening the OE product life, and the huge funds pumped into the specialty installer market these days, muffler customers are driving into specialty service bays.

But there are still three out of ten of our *CARS* DIYers who bought mufflers within the 12 months preceding our research firm's interview with them. They bought the products at specialty installers 39.9% of the time, and at automotive parts stores 35.8% of the time. Sales were made by independent garages (7.4%), department stores (4.7%), car dealerships (4.1%), and gas/service stations and discount stores (3.4% each).

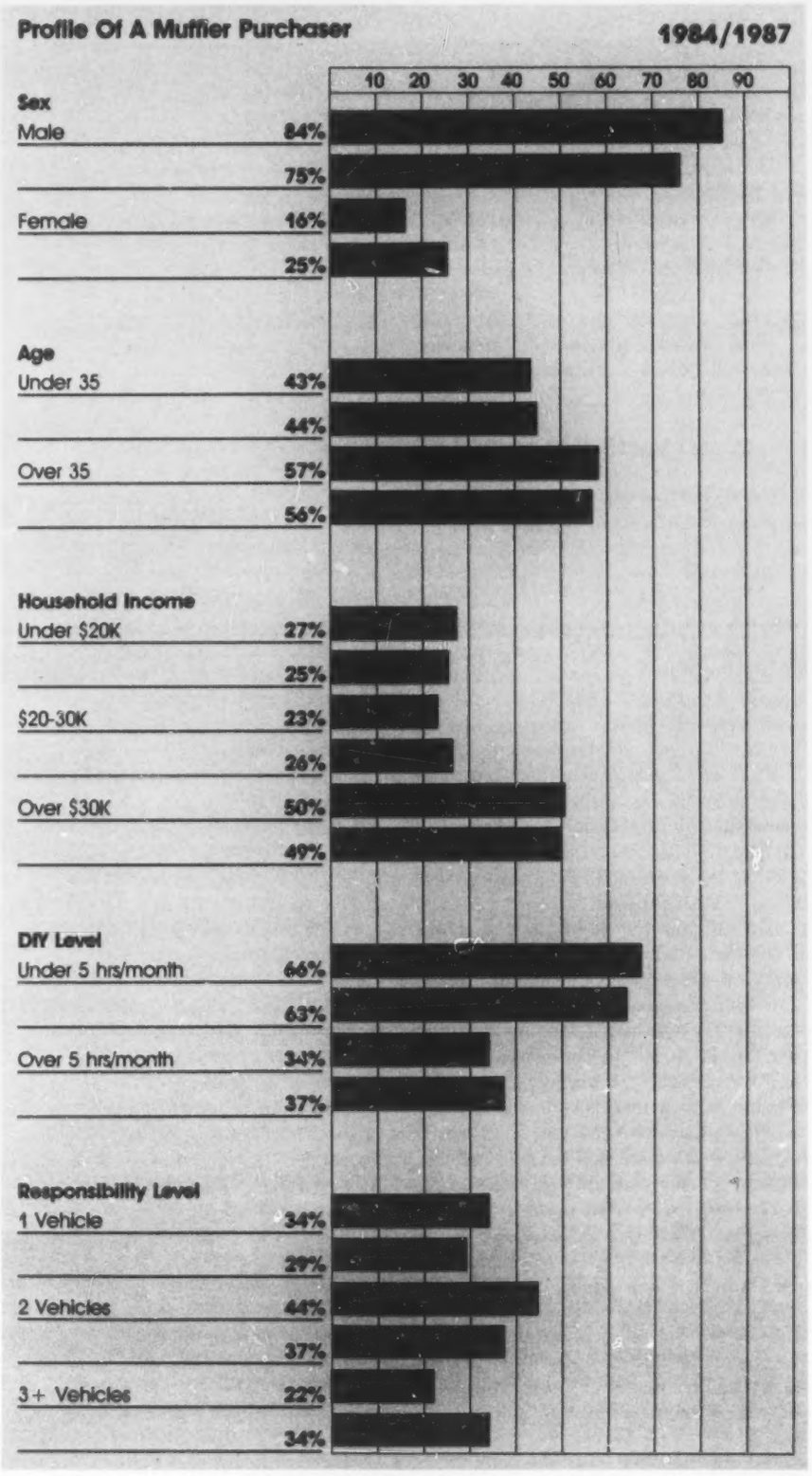
Some (23.6%) of the purchasers installed their own mufflers, but 17.6% had the professionals at auto stores with service bays do it for them. Independent garages installed 6.8% while gas/service stations put on 4.1%.

Of our phone interview sample of nearly 1,000 people, only 35 bought and installed their own mufflers. Of those, 26 installed it to save money, six because of personal satisfaction or enjoyment, and five to make sure it was done correctly.

We were puzzled that 52% of the muffler consumers in our study couldn't recall the name of the brand they had purchased (highest name recall was a mere 14.9%). So we assume that consumers choose an outlet to purchase from and then trust their outlet of choice to carry merchandise of high product value to meet their needs. Distribution, price, and quality carry equal weight with the consumers in terms of why they purchased a particular brand of muffler (between 23 and 24% each).

We found that 92.6% of our interviewees who'd purchased mufflers had done so only once the year preceding our research.

Overall, given new, better, stronger, longer lasting mufflers, and the growing strength of the specialty installer, this is a product which bears watching for turns, profitability, and ROI. Individual SKUs are a great prospect for direct product profit analysis. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Exhaust System Pipes

Among the DIYers interviewed by *Automotive Marketing*'s research firm for this 1987 *CARS* study, there were fewer who purchased exhaust system pipes than in our similar 1984 *Consumer Automotive Repair Study*. In 1984, 32% of our do-it-yourselfers had purchased pipes during the preceding 12 months: this year only 24.9% had bought product within the category.

The pipe data corresponds with that on mufflers; fewer customers because of longer lasting equipment, and fewer DIY installations because of the increasing strength of specialty installer segment.

We found that 32% of the pipes were bought at a specialist (vs. 11% three years ago). Automotive parts stores still sold the most product (39.2%), and independent garages trailed behind in third place at 8.2%.

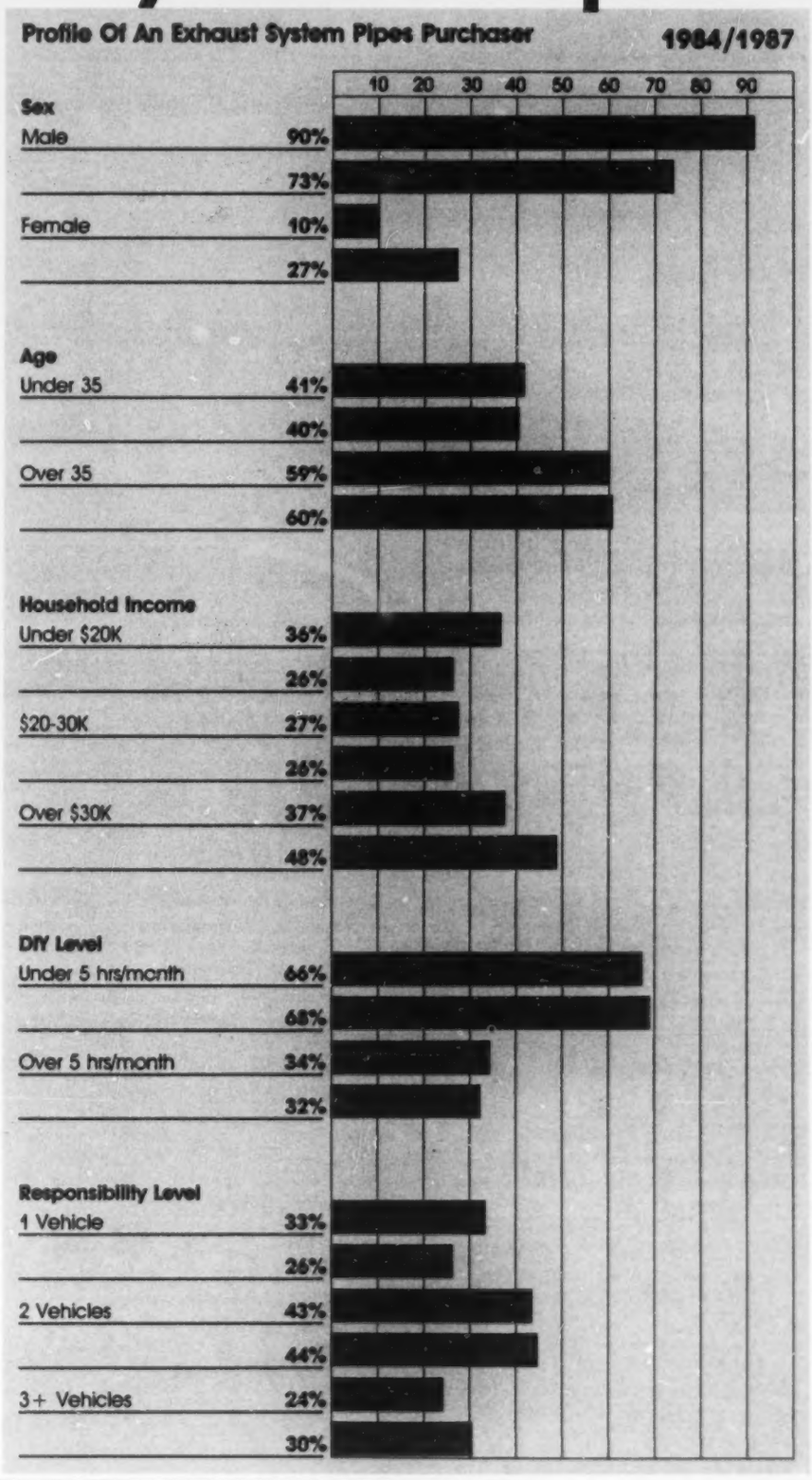
When the DIYer purchased exhaust system pipes, he himself installed 31.1%, and he chose the specialty installer to install 30.3% of the time. Automotive stores with service facilities grabbed 13.1% of the installation business from the DIYer who'd bought the pipes, but independent garages installed only 6.6%, and car dealerships 1.6%.

Our sample of nearly 1,000 consumers yielded only 35 people who bought and installed mufflers themselves. Three more (38 total) bought and installed their own exhaust system pipes. Why? Twenty five (65.8%) did it to save money, the rest to assure themselves of a good job or because they liked to do it.

Brand name was even less important here than with mufflers. Nearly two-thirds (65.6%) didn't know the brand name. These consumers bought because of distribution (28.7% told us they bought the only brand their chosen outlet carried), price (18%), or quality (12.3%).

Chances that a do-it-yourselfer would buy the product more than once are exceedingly slim. Our figures show that 95.1% of the purchasers bought once during the 12 months preceding our phone call.

Overall, with these products, retailers would be well advised to pay close attention to the specialist competition in town (perhaps supply them when possible?) and continue to keep close tabs on the profitability of these items. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Paint

Automotive stores lost market share for paint sales since our 1984 *Consumer Automotive Repair Study*, as did discount stores and independent garages. This year's *CARS* data infers that some of those sales went to car dealerships, hardware outlets, and department stores.

And, not as high a percentage of DIYers are buying paint compared with our research three years ago (16.4% now vs. 23% then). Serious DIYers continue to purchase more consistently than the more casual DIYers.

Outlets for paint ranked as follows: automotive stores, "I don't remember where I bought it," car dealerships, hardware stores (tied with independent garages), department stores and discount stores (also tied), specialty installers, gas/service stations, and convenience stores.

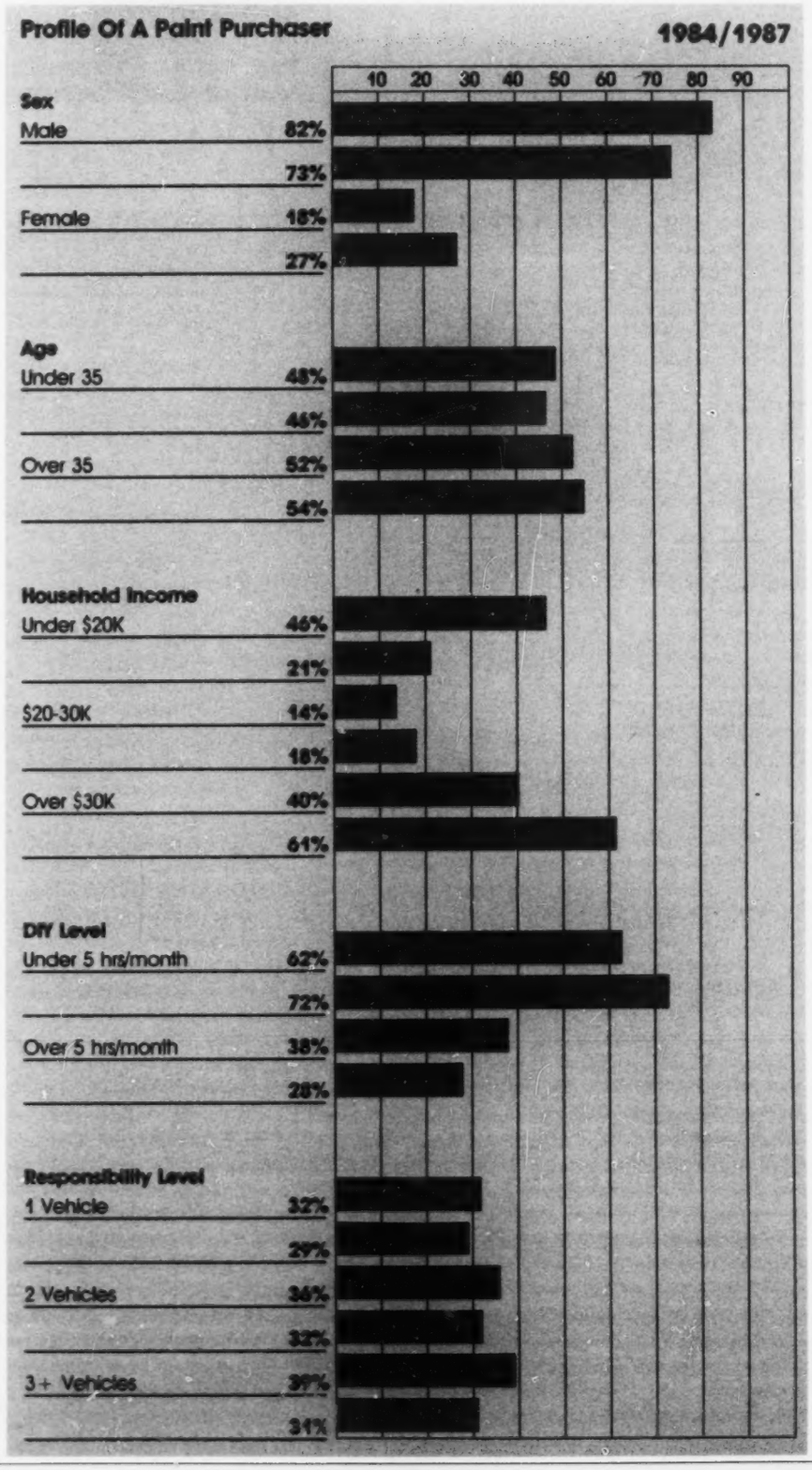
Application of the paint was done in most cases by the purchaser (61.7%). Automotive stores with service facilities, specialty installers, and independent garages all tied for second in this ranking. Other household or family members, or other DIYers, applied 9.9% of the paint.

Saving money on the job was paramount for our *CARS* respondents: 74% painted to save money, while 20% did the job because they liked to. Getting it done correctly mattered most to 14% of our DIYers who cited that as their reason for doing the job themselves.

Color match was the top reason why DIYers purchased one brand over another (37%), which fits in with our other data stating that 69.1% of our respondents didn't know what brand they'd purchased. They'd bought for color. Other brand choice considerations were price, quality, and distribution at the outlet the DIYers were shopping for paint.

Paint was purchased only once within the 12 months prior to our phone calls in most (85.2%) of our responses from paint purchasers.

Our data on body paint fits nicely with our report on body filler in this current *CARS* study. In both cases, we found diminishing percentages of DIYers buying the product. They were predominantly male, in the younger age brackets (although paint purchasers were a little older: more touch up, perhaps?), and the majority of both product users spent between one and five hours working on their cars. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Seat Covers

As with most categories, the purchase level of seat covers buyers among DIYers fell between 1983 and 1986. Then 13% of all DIYers reported buying seat covers over the past year; in 1986 the number was 8.2%. And, seat cover purchasers have dropped in income level, with 29% in 1983 making less than $20,000, while 33.8% made that in 1986.

Also, DIYers have shifted their shopping patterns for seat covers. In 1986, 45% of them reported buying seat covers in department or discount stores; in 1983, only 26% of them bought the product from these retailers.

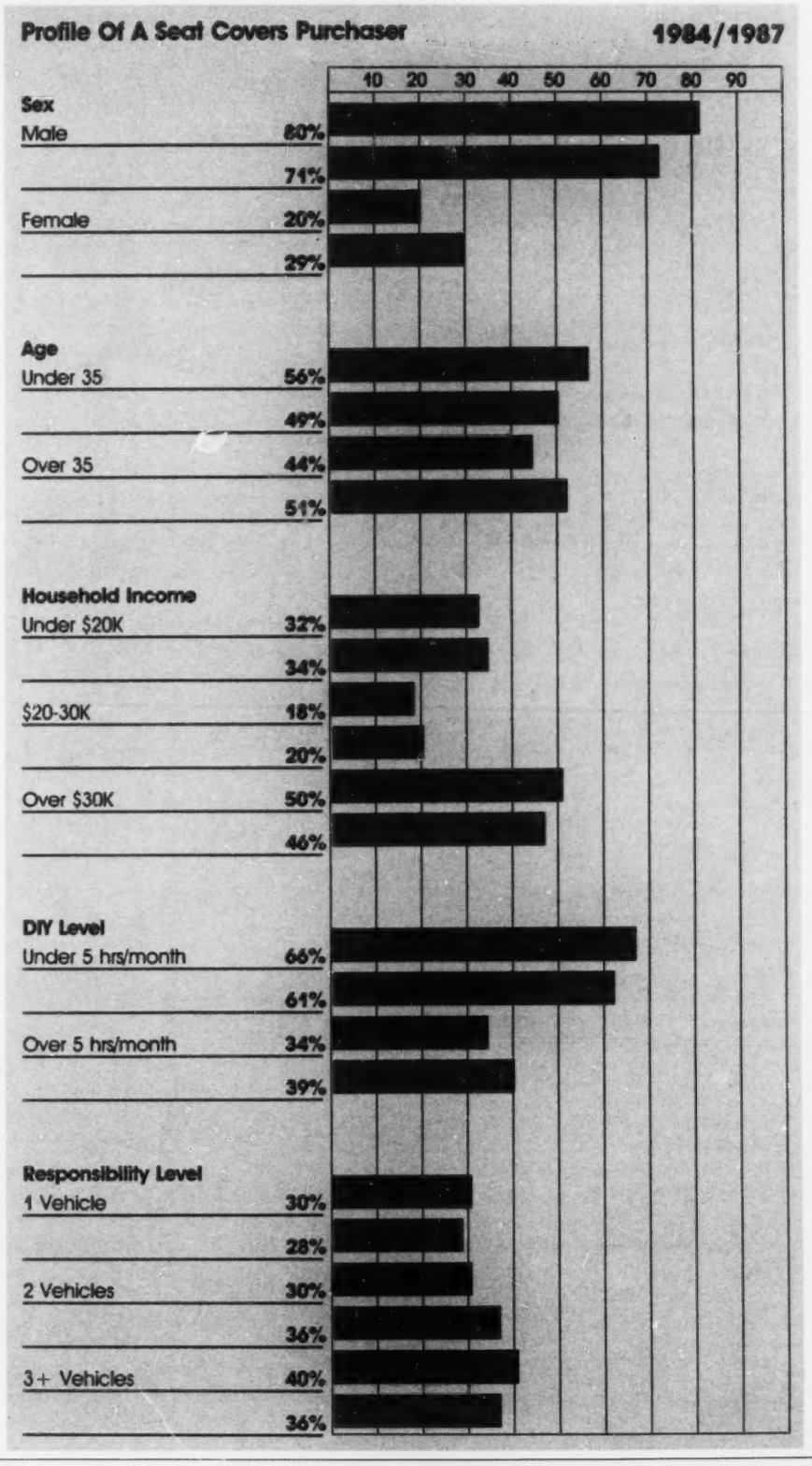
The market share hasn't come from automotive stores, however, since 30% of DIYers bought the product there in 1983 compared to the 32.5% who bought it there in 1986. The share has come from a wide variety of sources we lumped together as "other" in 1983 since no one source had anything like a noticeable market share. The types of "other" sources include things like auctions, car dealers, flea markets, specialty installers, and even swap meets.

Once acquired, a DIYer—the purchaser himself or a friend or relative—put them on himself in 92.5% of the cases. Almost half said they did this to save money, 28.1% of them simply enjoyed doing it, 6.3% said it was easy, 12.5% couldn't find anybody else to do it, and 6.3% wanted to make sure it was done right.

Most (87.5%) of the DIYers who bought seat covers weren't aware of what brand they actually bought. Another 2.5% named the national chain in which they bought the covers as a brand name. Obviously, there's not much brand awareness in this product area.

So, why did they buy what they did? It was the right color, said 15%, while another 17.5% liked the appearance. Ten percent noted that they bought the first one they found that fit their specific car. But only 35% mentioned price and an even lower 12.5% mentioned quality. The implication for retailers is that seat covers have to be seen and there must be a complete coverage offered.

And, retailers get only an occasional chance annually to sell seat covers to individual DIYers: 97.5% bought them only once over the past year. But, since 33.2% of seat cover purchasers are serious DIYers, it's a good product line. ■



CONSUMER AUTOMOTIVE REPAIR STUDY

Floor Mats

Floor mats, as a category, were just about in the middle of our list of products DIYers purchased over the past year. In all, 22.8% of DIYers bought floor mats during that time period.

By sex, 71.0% of DIYer floor mat buyers are male; 57.7% make less than $40,000 annually; 59.8% are average DIYers who do between one and five hours of DIY work monthly; and 72.8% have two or fewer cars to maintain.

Discount stores lead the parade as the most popular places to buy floor mats, with 39.3% of DIYers buying them at one of these outlets. Automotive stores at 26.8%, however, rated higher than department stores, in which 23.2% of DIYers made their floor mat purchases. Only a few bought mats at outlets like supermarkets.

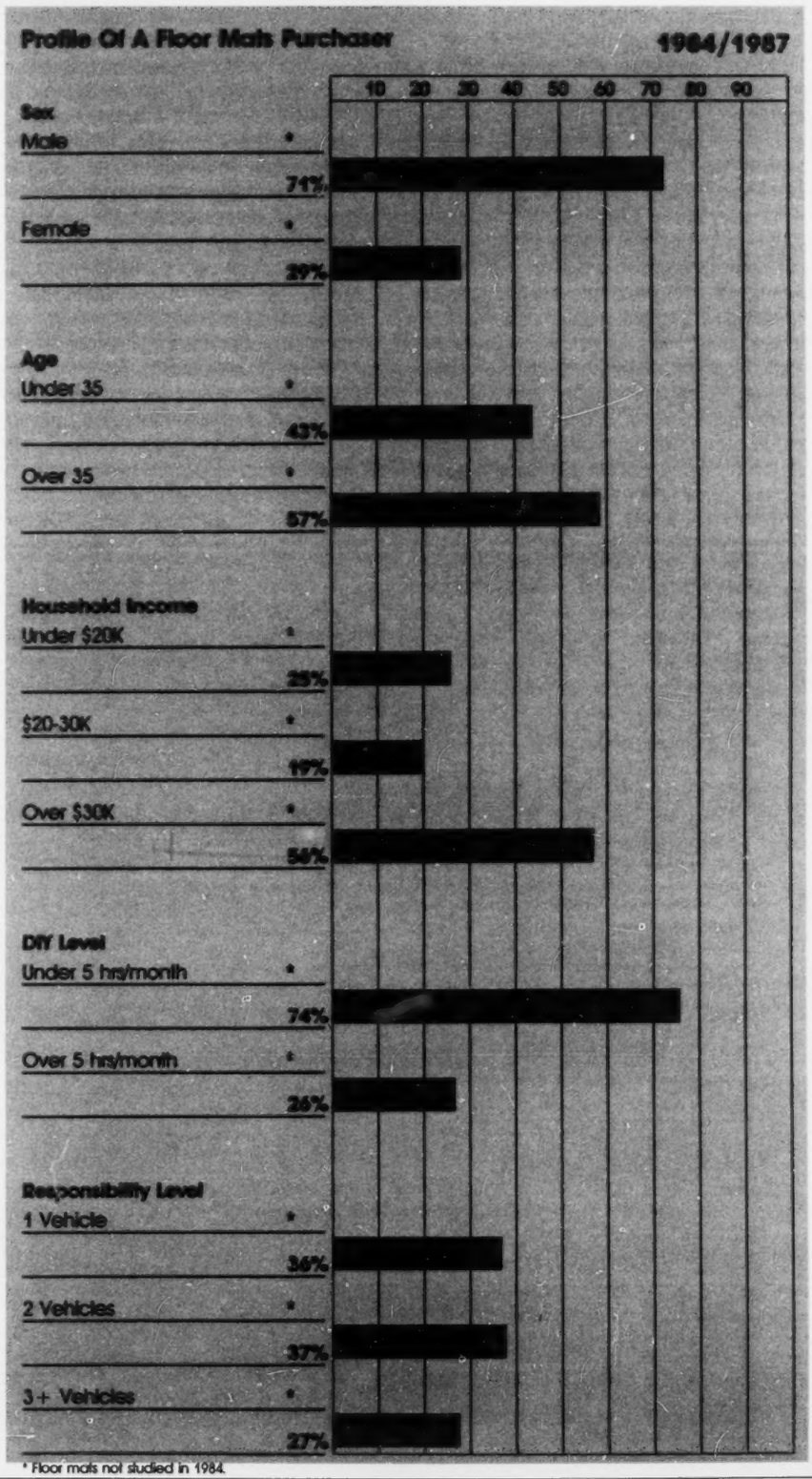
Just about anybody can throw a mat on a car floor, so it's not surprising that 99.2% of DIYers who bought floor mats themselves installed them themselves. In fact, it's worth wondering about that one soul who had an automotive store with service facilities install his floor mats.

Floor mats are a product line without much real brand consciousness. Of all DIYers buying them, 74.1% didn't know what brand they bought. Those who said they did really told us the names of the chains—in each case, a major discounter or department store—in which they were purchased rather than a manufacturer's label.

So displaying them is important. Being able to see that "it was the right color" was the major reason for buying what they did for 21.4% DIYers, while another 6.3% simply "liked the way they looked," and another 8.9% found a set that "was the proper size." All of these requirements are requirements best met by letting the customer actually see the merchandise.

Otherwise, 30.4% mentioned price considerations as their purchase reasons, while only 8.0% noted the quality of the product.

Floor mat purchases tend to be far apart. Only 9.3% of DIYers bought floor mats more than once over the course of the year before questioned. If the retailer doesn't sell it when the buyer is ready to buy, he'll lose the sale. And selling floor mats requires stocking a full coverage and displaying the stock. ■



* Floor mats not studied in 1984.

CONSUMER AUTOMOTIVE REPAIR STUDY

Custom Wheels/Wheel Covers

In 1983 custom wheels and wheel covers were purchased by the smallest group of DIYers in our study; in 1986 three products (electronic control modules, struts, and cruise controls) were purchased by smaller groups. In all 6.2% of DIYers bought these products, and a much larger percentage bought them in an automotive store than did in 1983.

In 1983 only 32% of DIYers bought custom wheels or wheel covers in an automotive store. In 1986 this percentage had jumped to a majority – 50.8%. And, while sales of this product in tire stores in 1983 hit 25%, sales through the same channel in 1986 dropped to 8.2%.

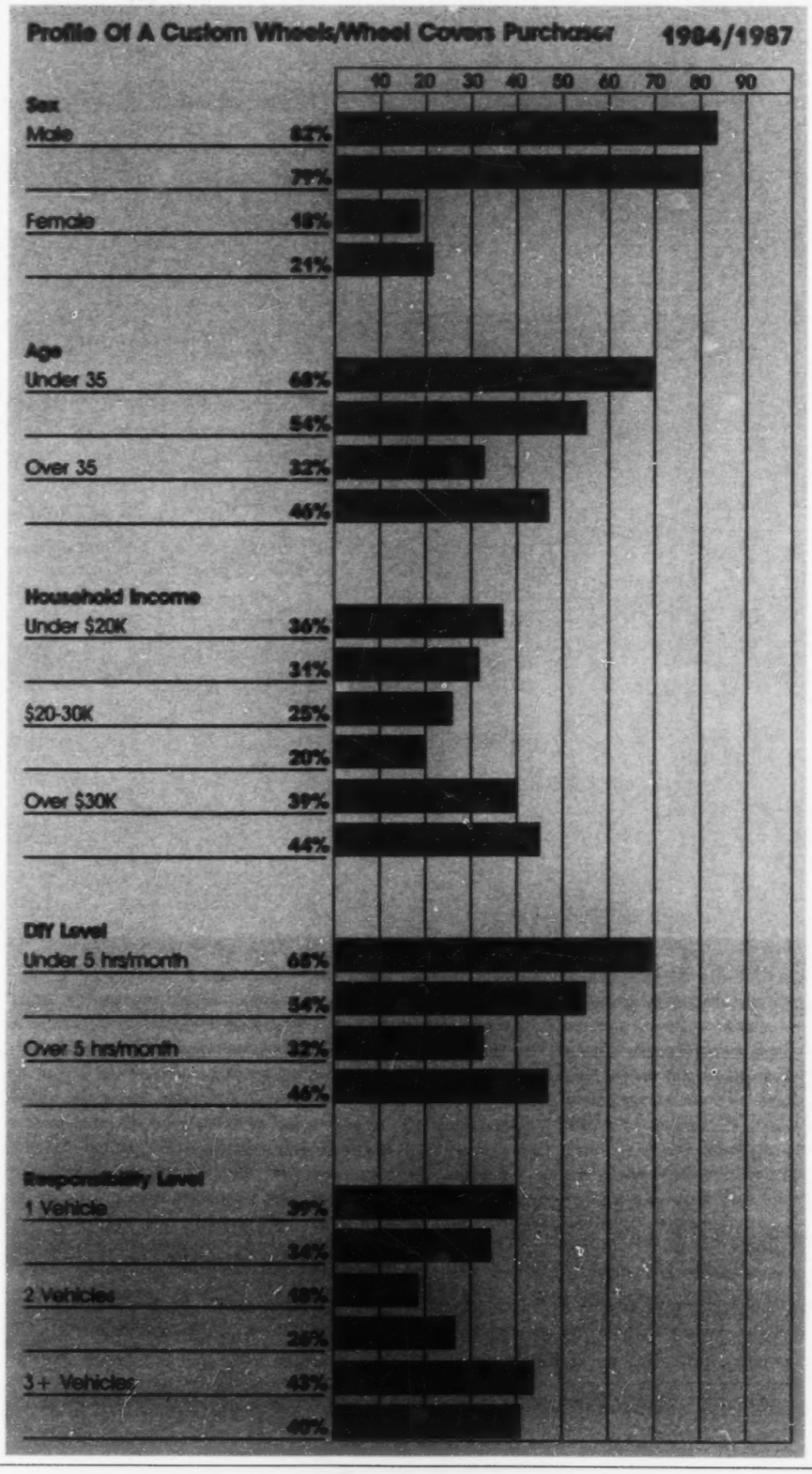
It's no surprise, therefore, that more DIYers installed the product than did in 1983. While 57% installed them themselves in 1983, this year's study shows that 62.3% self-installed them.

This number matches the percentage of those DIYers who installed the product themselves to save money; 62.9% of them gave that as their reason for self-installation. Only 17.1% did it because they enjoyed the work, while 5.7% said it was "easy to do."

Since most DIYers installed the product to save money, the fact that most of them also cited low price for buying what they did is not remarkable. In all, 39.3% gave price reasons for buying the brands they did, while 8.2% gave quality reasons. Low price doesn't necessarily mean "on sale." Only 8.2% bought the products on sale; most simply said they got the wheels or covers they wanted at a low price. But, 26.2% of the purchasers bought because they "liked the way it looked." This clearly indicates the need for displays to move the product.

And, people do not return for custom wheels or covers several times during a year. In all, 95.1% bought custom wheels or covers only once over the 12 months before the study. So, the retailer has only one chance to sell them.

The obvious conclusions are that wheels or wheel covers are sold through displays, with a low price being an important element in making the sale. And, in ever growing numbers, DIYers are taking their custom wheel or cover business to automotive stores, rather than other outlets such as tire stores. So the volume retailer has a better-than-ever chance of getting a piece of this lucrative business.■



SERVICE MARKET

REPORT

ALIGNMENT LABOR MAKES YOU MONEY

by **David A. Evans,** Contributing Editor

Easily, the most frequently heard question in the past year has been, "Should I get into four wheel alignment?"

My answer to this question is "Yes, you should—if you do it the right way."

The second most-asked question is "How should I get into it?"

This answer is tougher. There are plenty of ways to get into four wheel alignment, but the question is premature. No one ever seems to ask "Why?"

Let me talk about "why" first. We'll talk about "what" and "how" later.

Think Greed—Don't Think Technical

The main reason for getting into four wheel alignment is financial, not technical. One of the unfortunate by-products of the microchip age is the ability to produce gee-whiz hardware which merits little more than a ho-hum response from a management viewpoint.

Fantastic animated color graphics from the game arcades frequently do very little to enhance productivity or profit when used on automotive diagnostic and repair hardware.

I don't say that color and motion are useless, but they should have a purpose beyond amazing the competent technician or the technically unskilled manager (a broad but fairly accurate buyer profile, I'm afraid).

And until quite recently, much of this show biz has been largely—well—show biz. Not car biz. Developments in the past year have changed this, for the better.

The Purpose For Alignment?

The purpose of any alignment rack, or hardware, or training—remember—is to generate gross dollar income, maximum profits, and high retained earnings. If the hardware, as such, doesn't provide you with equal or additional gross profit dollars for similar involvements of time and trouble, and removes cash assets from your balance sheet which might otherwise drift to the bottom line, then the hardware must be added to your list of hobbies.

The Truth Revealed!

For almost 30 years now salesmen have told me, and other shop owners, the purpose of a "front end rack" is to sell parts, to identify repair opportunities, and to gain the "added profits" which come from parts sales and whatever labor is charged. I have always been uncomfortable with this idea. And in the past ten years or more, I have continuously written that management had better make money from alignment labor.

Why? Consider . . .

If I count on parts to show me my gross and profits, I don't need a front end rack to make those bucks. I can identify every conceivable front end or chassis fault—and I emphasize chassis—without spending one dime on front end alignment. And, I can replace those parts with far less capital expenditure than the $15,000 plus I'd have to pay for a rack and alignment hardware. In fact, *thousands* of shops do just this: install parts and farm out the alignment.

My song has also been one which says you cannot be certain of parts income, because simple alignment, without parts replacement, may be needed more frequently than you might wish.

An alternative course, to provide greed-based incentives for technicians who locate parts needing replacement, leads to abuses such as replacement of OK parts. And, if you sell parts which don't need actual replacement, by what name do you think you should be called?

Therefore, my song—even louder than before—is "Make it on your alignment labor."

And the four-wheel alignment machine is the device which has made my point.

The World Of Minimal Parts Demand

Why? Because, compared with the front end of a car, the rear end of the car has almost no parts replacement opportunities. And the ones which do exist as a regular opportunity don't provide much of a gross.

No ball joints. No tie rod ends. No drag links. No idler arms. No pitman arm or steering gearbox. Very little weight to sag out the springs. No struts. (Although it does have shocks.) No power steering components or hoses. In fact, almost nothing—compared with the steering end of the car.

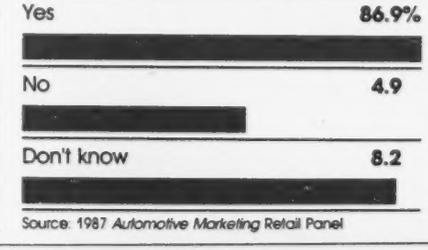
Sure, there are some bushings. There may be independent rear suspension (IRS), with its individual suspension trailing members or other axle devices. There may be a track rod or sway bar. But, very little to wear out. Very little. And as I said, almost nothing compared with the front end.

A front wheel drive (FWD) with a solid rear axle, typified by a Chevy Citation, for instance, demonstrates the ultimate

David A. Evans has participated in the aftermarket for over 25 years. He has worked as a line mechanic in a dealership, has owned a chassis shop, and has owned an 18-bay general service facility. His technical, sales, and management training material are in use by a variety of well-known automotive manufacturers. Dave would be happy to take your questions or comments, and can be reached at (312) 394-5349. We would also appreciate your comments.

ALIGNMENT PROFITS

We asked our Retail Panel "Do you find regular alignment work profitable?"



Source: 1987 *Automotive Marketing* Retail Panel

arrogance of anyone telling a parts replacement story about the back end of the car. The only maintenance-type items and/or replacement items in the suspension at the rear are the brakes, wheel bearings, seals, and shocks. Big deal!

Parts at the front of the car: including all of the above mentioned parts, plus the axles and other attendant bric-a-brac of FWD such as CV joints, *are a big deal.* But at the rear? Gimme a break!

No—I take that back. Gimme my *alignment labor.*

Can You Make Money On Labor?

If you are operating at fairly typical and modern ratios offering 70% gross profit, then it would be extremely difficult for you to be doing the business you are doing without having some fairly sophisticated alignment hardware, a rigid inspection system, and continuous training and updating—right now.

In other words, regardless of your operational practices, a simple alignment of the front end—exclusive of parts replacements or add-on labor—should be bringing you 70% gross profit and 30% direct labor without a trace of complaints from your technicians or your accountant.

If you do this now, then aligning the back end will give you the same margins—but with additions to your gross. Right? Right!

Plus, you get a de facto increase in productivity because you only have to run the car into and out of the bays, and set up the alignment equipment once to get two bites of income.

Interestingly enough, although the above arguments are logical and hard to refute, this stance has repeatedly earned me some of the nastiest mail I have ever gotten. Apparently the salesmen who have been successful in selling on this front-end-rack-for-parts-sales-profit tack for so long don't like to have one of their favorite sales stories denied.

Now that there is a large installed base for four wheel alignment machines in the trade, however, the truth is coming out.

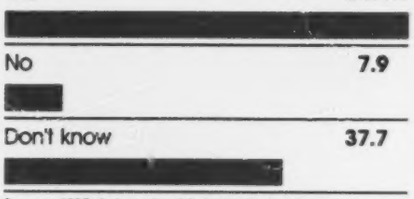
Now, Put On Your Technical Hat

Why bother? Why say that four wheel alignment is a good deal for the parts store? Because it *is* a good deal. In fact, a great deal.

Adjustable rear suspensions can be adjusted. And they should be adjusted when

FOUR-WHEEL DRIVE ALIGNMENT PROFITS

We asked our Retail Panel "Do you find four-wheel drive alignment work profitable?"



Source: 1987 *Automotive Marketing* Retail Panel

out of specification. This means you need a good, quick, efficient, and positive way to provide the adjustment. Clearly, this means hardware which can be plugged in quickly, and used with dispatch.

Can you use the older styles of hardware and back the car on the rack for rear wheel alignment? Sure you can. Do you want to? I hope not. It is a bottleneck way of turning out the job.

Another reason for owning sophisticated four-wheel alignment equipment—particularly the ultra-sophisticated computerized gadgetry—is so-called "thrust line" alignment.

I say "so-called" because there are a lot of times when having the thrust line printed out on the ticket is simply an annoyance. Why show an angle which you can not correct? Why promise something as nebulous as "centerline" measurement when you can't adjust for the vehicle's centerline? And who is going to show me any sort of "thrust line" for a FWD car?

What the hardware *really* allows you to do is set the steering wheel levelness (or straightness) more quickly, more accurately, and more often. This has less to do with technical necessity than it does customer satisfaction. When the added increment of customer satisfaction and/or shop speed is balanced against the added cost of the computerized four-wheel equipment, as opposed to the sophisticated two wheel equipment, I don't see much sense in opting for the less capable hardware.

Another *big plus* for the computerized and four-wheel equipment is the management job the hardware does for the shop.

Computers Welcome Here

Here is where the computer graphics programs earn their keep. If you haven't seen the latest on-screen offerings of the alignment manufacturers, you are in for a surprise and a treat. The pictures are nothing short of phenomenal! If your technicians, service writers, and customers can't visualize the components on the car and what is right/wrong with them from the screens now produced, I can't imagine what would work.

Some of these computer wonders do almost everything but reach out and turn the wrenches. One of them displays a detailed picture appropriate to any car dialed up from its memory. It's detailed to the point where little arrows show what to adjust and where.

Another computer program re-calculates caster, based upon the changing relationship between camber and toe. Fantastic? As only massive memory capacity and capable programmers can make it!

These devices also make it easier for shop management to ensure that one vital job, frequently overlooked or avoided, is done: *inspection.* Detailed inspection systems are programmed into these devices so it is less difficult, and even attractive, as a proposition to the technician.

It removes another pad of inspection forms from the service manager's desk (the pad is mislaid anyway.) And it provides excellent demonstration of shop professionalism.

The Parts Equation

I said labor was the big deal. I stand by that. And a continuing chorus of intelligent and highly successful shop management can be heard echoing this concept. I'm not the lone voice in the wilderness any longer.

Recently, one manager told me he had *more than doubled* his labor income per ticket, and maintained over 70% gross profit levels, since purchasing his justifiably expensive four-wheel alignment setup. He boasted of an $80 average labor ticket for alignment, alone—and I think that is both good, and *right.*

Does he get parts sales? Of course he does! Much more than the typical share, too, because of the rigid inspection system his hardware gives him.

More labor. More parts.

Do I think you should get into four-wheel drive? You bet I do. But do it for all the right reasons, and the results will be beyond your expectations. ■